JPRS-SEA-86-074

29 APRIL 1986

Southeast Asia Report

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SOUTHEAST ASIA REPORT

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MOKHTAR COMMENTS ON CGDK 8-POINT PROPOSAL

BK040959 Jakarta ANTARA in English 0944 GMT 4 Apr 86

[Text] Jakarta, 4 April (ANTARA)--Foreign Minister Mokhtar Kusumaatmaja said he will be in Bangkok on 10 April for a meeting with his Thai counterpart, Sitthi Sawetsila on various latest developments, particularly the 8-point proposal of the Coalition Government of Democratic Kampuchea (CGDK).

Speaking at a press conference here Friday, Mokhtar said Indonesia and Thailand have welcomed the proposal of the CGDK presented by its president, Prince Norodom Sihanouk last month.

The proposal included the readiness of the CGDK for talks with the Vietnamese-backed Heng Samrin regime in Phnom Penh to form a coalition government, and the withdrawal in two stages of the Vietnamese troops from Kampuchea.

Mokhtar said the proposal was a good one because ASEAN has always been pushing the Khmer people to play an active part in the peaceful solution of the Kampuchean problem. "This is their problem, and we only try to help them find a way out," he added.

He was of the view that the important thing in the 8-point proposal was the fact that the Khmer Rouge who had always rejected a national reconciliation, now supported the idea.

Besides, the announcement of the proposal in Beijing could be said to mean that the Chinese no longer posed an obstacle to peaceful solution of the Kampuchean issue, he added. The proposal, he said, also proved that China constituted an important but not a decisive element.

Such a rapid development had taken place so that China recognized the fact that the Khmer Rouge in its old form was no longer acceptable, he said. "So the element, wished for by the Vietnamese, has been fulfilled and for this reason I say that the Vietnamese rejection of the CGDK proposal is not yet final," he added.

The 8-point proposal of the CGDK is currently being discussed by the CGDK and ASEAN high officials in Manila.

/12913
CSO: 4200/887

INDONESIA

PRESIDING JUDGES POSTPONE TRIAL OF ANTI-SUHARTO PLOTTER

BK080323 Hong Kong AFP in English 0316 GMT 8 Apr 86

[Text] Jakarta, 8 April (AFP)--An ex-minister scheduled to be tried Tuesday on charges of having plotted to assassinate Indonesian President Suharto has been given one week to appoint a defence lawyer.

The retired civil servant, Mohamad Sanusi, 65, appeared in Jakarta Central District Court where, after three minutes, presiding judges said the case would be postponed until the defendant had found himself a defence lawyer.

According to prosecution documents made available to the press, Mr Sanusi, a former light industries minister, is to be charged with involvement in at least two plots hatched between 1981 and 1983 to kill the Indonesian president.

The defendant is already serving a 19-year sentence on charges of having financed bombing in downtown Jakarta which left two dead in 1984. He has consistently proclaimed his innocence of those charges.

Eyewitnesses at the court said Mr Sanusi, who wore a traditional brown patterned batik shirt, appeared healthy but thin. They said a small crowd at the court included members of Mr Sanusi's family, and former Jakarta government Ali Sadikin, who like Mr Sanusi is a member of the dissident group of 50.

The group, branded by the government as composed of disgruntled has-beens seeking to return to power, is composed largely of retired military officers and ex-civil servants who criticize government policies through letters to Parliament.

/12913
CSO: 4200/887

INDONESIA

GOVERNMENT URGED TO MAKE CEMENT MORE COMPETITIVE

Jakarta ANTARA NEWS BULLETIN in English 21 Mar 86 p A4

[Text]

Jakarta, March 21 (ANTARA).- The government has been called on to take immediate steps to promote the competitiveness of Indonesia's cement on the international market, especially in view of the competition from Japan, South Korea, and Taiwan.

The urge was voiced by the Chairman of the Indonesian Cement Association (ASI), Ibrahim Risjad, who is also the director of the Indocement Group, here Friday.

Indonesia is in no position to compete with Japan, South Korea and Taiwan in cement production because the plants in the three countries are run on coal, not on the costlier fuel oil as in Indonesia. The other unfavourable factors prevailing in Indonesia include the relatively high bank interest rates and transportation costs, in addition to inadequate port fasilities.

Indocement Group in 1985 managed only to expott 500,000 tons of the targeted 1.3 million tons, he said.

With a view to minimizing production costs, several major cement plants in Indonesia will start using coal as from March 24, 1986.

Indonesian cement is exported to Singapore, India,Bangladesh, SriLanka, Papua New Guinea, Pakistan, Hongkong and Brunei. Bangladesh is at present the best cement market in the world, to which Indonesia exports a monthly average of 100,000 tons year.

The cement sales to Bangladesh normally take place with assistance from the Islamic Development Bank. Cement purchases by Bangladesh with Islamic Development Bank assistance are mainly linked with Indonesia because the country is a cement-producing ICO (Islamic Conference Organization) member. Bangladesh is also an ICO member country.

Exports to PRC

Indonesia has a wide opportunity to export her cement to the PRC as this country consumes vast quantities of the building material for development purposes.

Indocement Group signed an agreement with the PRC some time ago for the shipment of 250.000 tons of cement in the near future.

In this context, the president of the Chinese Commission for Promotion of: International Trade (CCPIT), Wang Yaoting, cameto Indonesia some time ago and visited the Indocement plant in Cibinong, West Java. He was confident Indonesia was able to fulfil the Chinese request.

Indocement Group's present output stands at 7.5 million tons per annum, and 60% of which is for the domestic market.

/13104
CSO: 4200/901

INDONESIA

PROPOSED DOMESTIC FUEL PRICE CUT DISCUSSED

Jakarta BUSINESS NEWS in English 21 Mar 86 p 2

[Text] An MP has for some time now suggested to lower prices fuel oils (BBM) in line with the crude oil price slump abroad; this problem has become a topic which seems to draw sufficient attention. Several private national businessmen, including Probosutedjo, Ir. Siswono Yudohusodo and Tanri Abeng, have also voiced their views about this question. The three private national entrepreneurs do not agree to the proposal for BBM price reduction, but on the other hand suggest that the PLN electricity subscription rates be lowered. We ourselves are inclined to share the opinion of the three businessmen.

After the drastic crude oil price drop on the spot market, some countries have indeed reduced their domestic prices of oil products, including Singapore and later also the Philippines. Especially with regard to Singapore, various moves have recently been taken to relieve the business sector of its burden following the economic stagnation in that country. Tax rates are lowered, and different costs that have to be spent by the business sector are abolished or at least cut down. The Philippines under the administration of newly installed President Corazon Aquino also has to strive to set the economy, left in chaos by the Marcos regime, in motion, among others because an estimated billions of dollars of the wealth of the Philippine people has reportedly been made the private property of Marcos and his group.

For Indonesia the problem is entirely different. Crude oil constitutes a dominant resource in the country's economy, through the state budget (APBN) as well as the balance of payments. Therefore the crude oil price slump on the export market means a heavy blow to our economy. The government has to seek other sources of finance to offset the setbacks in APBN revenue and foreign exchange originally derived from the oil/gas sector. In fact, such new sources of finance are not easy to find, and so far it has been anticipated that APBN-1986/87 — let alone its realisation later on — will be far smaller than APBN-1985/86.

The item of BBM subsidies can still be found in APBN-1986/87. According to Minister/Chairman of Bappenas Dr. Sumarlin, the uncertainty that keeps on engulfing the oil price problem abroad makes it difficult for the government to make definite calculations, among others about the presence of absence of the chance to lower BBM prices.

Another aspect also deserving attention is that the reduction of BBM prices will cause domestic BBM consumption to rise again, with a double consequence that can be most vulnerable. Firstly, the oil left for exports will naturally be increasingly shrinking, so that foreign exchange as well as APBN receipts from the oil sector will accordingly be reduced. On the other hand, BBM subsidies will be bigger than in the case if BBM prices are not lowered. And finally we also have to take care of the virtually almost inevitable possibility that the BBM price reduction — especially as far as it concerns kerosene — will make the people shift from the use of non-oil energy sources again to oil. The effort to promote energy diversification will thus be reversed. For various industries, modifications in the construction of combustion equipment also will have to be made in order to enable the use of more oil products receiving biggest subsidies. Hence the demand for BBM will increase beyond proper proportions, so that the pressure on APBN as well as the balance of payments will be even graver.

In view of these considerations, we are more inclined to support the lowering of electricity subscription rates. These rates in Indonesia belong to the highest in the world, and its rating system is generally also opposed to the direction of production and development promotion. Inefficiency within the PLN is thus imposed on all its subscribers, including industries which would become more competitive if the electricity fees were more reasonable.

The monopolistic position held by the PLN in the transmission and sale of electric power has even prevented several agencies which would have been able to sell electricity at low rates to certain regions, from granting such advantage to the regions concerned. The most well known case is the Asahan Project, which still produces surplus electric power that can be used by its surrounding region at low fees as a token of gratitude to the region for the opportunity given to obtain the power by exploiting the river of Asahan. Several other projects are in the same position, but they are required to leave their power distribution/sales to the PLN at expensive rates.

How much longer will the population be sacrificed to support such outstanding inefficiency ?

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CSO: 4200/901

INDONESIA

ASEAN FERTILIZER PLANT'S EXPORTS UP, PROFIT DOWN

Jakarta BUSINESS NEWS in English 21 Mar 86 p 4

[Text] PT ASEAN Aceh Fertilizer, which has so far been exporting urea fertilizer to three ASEAN countries, namely Thailand, Malaysia and the Philippines, has begun exporting its product to non-ASEAN countries such as India, the United States & South America, since Malaysia has started to produce fertilizer.

The supply of fertilizer from PT ASEAN Aceh Fertilizer to importers abroad reached 233,500 tons in 1985, showing a sharp increase over 192,435 tons in the previous year.

President Director of PT AAF Rachman Subandhi stated that the company had up to the end of February 1986 still gained profits. Last year the profit gained by the company totalled over Rp 5 billion, indicating a decline compared with the profit it recorded in 1984.

The marketing of Indonesian fertilizer on the local and foreign markets is undertaken by PT PUSRI. But PT AAF has been allowed to manage its fertilizer exports at the price level prefailing on the international market.

The price of urea on the international market fell from US$ 170/ton at the beginning of 1985 to US$ 90/ton at the end of the year. By selling its urea at a price of US$ 90/ton, PT AAF still gains profits.

The average price of urea on the export market in 1985 ranged between US$ 120 and US$ 125 per ton, while in January and February 1986 it dropped to only US$ 85/ton.

The fall in theprices of fertilizer on the world market is due to the imbalance between the supply and demand, according to Rachman Subandhi. To cope with the declining export earnings, PT AAF is currently stepping up efficiency and productivity.

PT AAF started its commercial operation in early 1984 with a total investment amounting to over US$ 410 million. For the production of fertilizer, the plant needs around 11,000 MMSCF of natural gas/year. The company still has no plan to expand its production capacity.

The latest data show the counter purchase contracts for the supply of goods to the Indonesian Government, involving 23 countries, had up to the end of December 1985 reached US$ 1,510,666,984.61.

West Germany was still the biggest supplier of goods involved in the counter purchase contracts at the end of 1985.The supply of goods by West German suppliers to the Indonesian Government had till the end of 1985 reached 74%.

Canada ranked second with supply reaching 72% of the value of contract, followed by Japan which has fulfiled 64% of its counter purchase contract.

The Indonesian Government has implemented the counter purchase system since 1982 as part of the effort to promote exports of commodities other than oil and natural gas. Foreign exporters involved in the counter purchase contracts have the obligation to supply goods/equipment needed by the Indonesia Government, besides buying Indonesian non-oil/gas commodities.

Two of the 23 countries involved in the counter purchase contracts, namely Mexico and Yugoslavia, have not started the supply of goods to the Indonesian Government based on the contracts.

Indonesian non-oil/gas commodities which have been/will be exported under the counter purchase contracts are, among others : rubber, latex cream, resin, sawn timber, plywood, veneer, railway sleepers, rice bran, molasses, coffee, powdered black tea, cacao, ethyl alcohol, maize, cashewnut, black pepper, palmoil, palm stearine, fresh shrimp, cod-liver oil, frog leg, polyester cotton, woven clothes, apparel, rattan products, quartz sand, nickel matte, aluminium ingot, aluminium alloy bar, iron ore, copper concentrate, coal, urea, TSP fertilizer, DAP fertilizer, jellyfish, ammonia, cotton grey shirting, frozen squid, iron bar, tin, and ginger.

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CSO: 4200/901

INDONESIA

EQUAL TREATMENT FOR PROSPECTIVE INVESTORS CITED

Jakarta ANTARA NEWS BULLETIN in English 23 Mar 86 p A5

[Text]

Jakarta, March 23 (ANTARA).- The government does not discriminate would be investors who will make investment in Indonesia. Would be investors from West European countries and from socialist countries in East Europe have the same chance to invest their capital in this country.

Chairman of the Investment Coordinating Board (BKPM) Ginanjar Kartasasmita stated this here Saturday when he received a delegation of the Indonesian Chamber of Commerce & Industry (Kadin) headed by Kadin Chairman Sukamdani Sahid Gitosardjono.

The Kadin delegation met Ginanjar, who is concurrently junior minister for promotion of the use of domestic products, in connection with its forthcoming visit to six Socialist countries in the beginning of April 1986.

He admitted that a tight scrutiny used to be required for every would be investor from East European socialist countries. But at present the regulation has been loosen so as to give greater opportunity to would be investors from that region to invest capital in Indonesia, he added.

Would be investors from East European Socialist countries who are interested in making investment in Indonesia should invest their capital in production sectors which need minimum after sale service such as the sector of basic materials production, Ginanjar suggested.

To encourage capital investment in Indonesia, the government has taken several steps, such as the implementation of the Presidential Instruction (Inpres) No. 4/1985, the simplification of licensing procedures and the extension of low interest export credits of foreign investors, he explained.

He expressed the hope that during the visit to East Europe the Kadin delegation would be able to explain to would be investors in that region that Indonesia was one of countries which had comparative advantage.

In this context, he mentioned the availability of abundant raw/basic materials in Indonesia, political and economic stability, and a big population which made Indonesia a potential market for various products.

He pointed out that Indonesia adopts the open foreign exchange system. This means that capital which has been invested in Indonesia can be transfered to the originating countries, he added.

He also asked the Kadin delegation to explain to would be investors in East Europe that the Indonesian Government gave protection to investors who were operating in Indonesia.

During the visit to the six East European countries, namely Yugoslavia, Hungary Bulgaria, Romania, Poland and Czechoslovakia, the Kadin delegation will launch a promotion campaign to attract would be investors in those countries to make investment in Indonesia.

The tour of East Europe is also aimed at stepping up economic and trade cooperation between Indonesia and the six Socialist countries, according to Sukamdani. He reported on the occasion that the Kadin delegation would consist of 40 businessmen.

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CSO: 4200/901

OTHER COUNTRIES' OPERATIONS IN EEZ CONSIDERED

Jakarta BUSINESS NEWS in English 24 Mar 86 p 3

[Text] Indonesia, in an attempt at exploiting the marine resources in the Exclusive Economic Zone is considering the possibility of allowing United States & Taiwanese fishing companies to operate in the area, the Department of Agriculture disclosed here.

It was hoped that in making up its mind the Indonesian government would not take too much time, so that preliminary steps could be taken.

United States fishing companies will operate in the EEZ part of the Indonesian Ocean, while the Taiwanese in the eastern sector of the EEZ.

The talks on the fishing operations constituted the first phase of the exploitation of the fishery potentials in the waters.

If several foreign businesses start operations in the preliminary stage, the fishing companies from other countries would normally follow suit.

A Romanian business company has expressed interest in the project, but it said it would do so in a joint venture with a local company. The Indonesian Government is seriously considering the Romanian interest.

The exploitation of the fishery potentials in the Indonesian EEZ by foreign companies is actually in agreement with International Law of the Sea. Under international law, any country still unable to make use of the marine potentials of their waters shall open its waters to fishing operations by other countries.

As the capacity of Indonesia's fishing companies has not developed properly, the government should allow the fishing companies of other countries to operate in the EEZ.

In this context, the government will impose charges on the foreign vessels operating in the EEZ.

The potentials in the EEZ include tuna and skipjack.

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CSO: 4200/901

INDONESIA

EXPORTS TO WEST GERMANY INCREASE

Jakarta BUSINESS NEWS in English 26 Mar 86 p 4

[Text]

West Germany's imports from Indonesia reached in 1985 a value of more than 1.1 billion D-Mark which means an increase of 43% compared with German imports from Indonesia in the preceding year.

In the same period the value of Germany's exports to Indonesia fell by 20% to 1.7 billion D-Mark, reducing the surplus in the trade balance in favour of West Germany from more than 1.3 billion D-Mark in 1984 to less than 600 Mio. D-Mark in 1985.

According to data, the Indonesian-German Economic Association (Ekonid) received from the Federal Bureau of Statistics in Wiesbaden/West Germany the sharp increase of German imports from Indonesia is mainly based on considerably higher imports of agricultural products & a greater variety of industrial goods.

For example the value of German cacao imports from Indonesia rose by 46% to 77 million D-Mark, of coffee by 47% to 103 million D-Mark, of species by 28% to 34 million D-Mark and of edible oils and fats even by 126 percent to 101 million D-Mark.

West German imports of timber, plywood and other wood products from Indonesia rose to a value of 62 million D-Mark, of technical oils and fats to 104 million D-Mark, of garments to 46 million D-mark and of electrotechnical goods to 27 million D-Mark.

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CSO: 4200/901

INDONESIA

GDR AMBASSADOR DISCUSSES ECONOMIC MATTERS WITH DEPUTY SPEAKER

Jakarta ANTARA NEWS BULLETIN in English 26 Mar 86 p A8

[Text]

Jakarta, March 25 (ANTARA).- Vice Speaker coordinating economic and financial board Drs.H.Hardjantho Sumodisastro received East German Ambassador to Indonesia Werner Peters, at the parliament building here Tuesday.

The visit of the East German ambassador was aimed at putting forward some problems related with the economy and finance of the two countries

East Germany expects the cooperation agreement in economic sector accepted by the two countries two years ago can be realized soon.

The talks of the technical commissions which were to have been held last October, due to some obstacles, was postponed until mid May 1986 in Berlin.

Looking forward to the meeting, the East German ambassador expected Indonesia would prepare the commodities for his country, while East Germany would offer the commodities for Indonesia.

So far, East Germany has purchased some US$ 30 million of Indonesian products, while Indonesia bought some US$ 10 million of its commodities.

One psychological obstacle for Indonesia, according to Hardjanto there had been no East German delegation of ministerial level to Indonesia so far. Through Ambassador Werner Peters, he asked East Germany to send its delegates to Indonesia.

Though Indonesia is facing difficulties, especially in economic sector, Hardjantho said that the Indonesians are not pessimistic in fighting them.

When talking about the cooperation between the two countries, Hardjantho said he will check how far the government has prepared itself for the technical commission meeting in Berlin next mid May.

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CSO: 4200/901

INDONESIA

JAPANESE OFFICIAL DISCUSSES TOKYO SUMMIT WITH SUHARTO

Jakarta ANTARA NEWS BULLETIN in English 30 Mar 86 p A2

[Text] Royzo Sunobe, adviser to Japan's foreign minister Saturday met with President Soeharto at the Bina Graha office to get a clear view of the Indonesian leader's expectations of the Tokyo summit in May.

The President hopes that industrialist and developed countries work together to overcome the world economic problems since both sides are interdependent, Sunobe told reporters shortly after the meeting.

Sunobe was here with the sole purpose of obtaining President' Soeharto's view on the summit of the industrialist countries in Tokyo. From Jakarta he would continue to other Asean countries for similar purposes.

President Soeharto indirectly mentioned the new multilateral trade negotiations to be held during the summit, said Sunobe who was Japan's ambassador to Indonesia from 1974 to 19744.

Soeharto, he disclosed, was also interested in oil price.

Oil is important not only to the producers but to the consumers like Japan as well, he stated.

When asked whether the summit would also discuss matters pertaining to oil, Sunobe said the summit will not be able to produce an agreement or a concrete conclusion since oil is a complicated problem.

In the face of the summmit Japan is willing to listen to other countries he added.

When the data are collected, a long term policy on energy will be formed. Sunobe did not say who is going to make the policy, Japan or other countries at the summit.

On Mochtar's proposal that the industrialist countries first carried out the old multilateral trade negotiation before entering a new one, Sunobe explained that there would not be any differences between the old and new negotiations since both have the same goals.

On the other hand he admitted that the old negotiations has not been fully implemented due to several unsolved matters.

With the new negotiation it is hoped that everybody will have a fresh mind to settle the unsolved problems, he stated.

/13104
CSO: 4200/902

INDONESIA

AGUS SUDONO SAYS NO PROBLEM BETWEEN INKOPERINDO

Jakarta ANTARA NEWS SERVICE in English 30 Mar 86 p A4

[Text]

Yogyakarta, March 29 (ANTARA).- General chairman of the Indonesian Workers Cooperatives Centre (Inkop~~K~~erindo) Agus Sudono has said that the organisation has no problem with the Association of the Indonesian Workers Unions (SPSI).

The problem between the two organizations is only misinformation so far being received by SPSI which considers that the establishment of the Inkop~~K~~erindo is a rival for the SPSI.

Speaking to reporters here Thursday evening, Agus Sudono said that the misinformation would be cleared late this month in order that the two organisations could stay together peacefully.

He said that Inkop~~K~~erindo has been formed among other things to improve the Indonesian workers welfare.

The formation of this organization was not overnight. But it was set up through a long process since 1982. Not until a meeting attended by representatives of nine Indonesian Cooperative Centres (Puskopin) in Jakarta recently that the Inkop~~K~~erindo was formed.

Agus Sudono was in Yogyakarta at the invitation of the Yogyakarta's office of workers cooperatives centre (Puskopar) to inaugurate its new office.

/13104
CSO: 4200/901

INDONESIA

POPULATION FIGURES REVEALED IN 1985 CENSUS

Jakarta ANTARA NEWS BULLETIN in English 31 Mar 86 p A6

[Text] The Central Statistics Bureau (BPS) has disclosed that Indonesia's populace in 1985 has reached 163,875,889 people comprising 8,345,596 men and 81,530,293 women.

Drs. Aswar Rasid, head of the BPS, after meeting with President Soeharto at Bina Graha Saturday, told reporters that during the 1980-85 period the nation's population growth was 2.13 percent.

Although the average nationwide growth rate was around two percent, the figures for each island differed from one another. For example, Sumatra had the highest growth rate with 3.12 percent, followed by Kalimantan (2.97 percent), Maluku and Irian Jaya (2.95). Meanwhile Java and Nusatenggara islands had the lowest growth of about 1.74 percent and 1.93 percent respectively.

In 1985 Java still ranked as the country's most populous island with 99.5 million inhabitants (ca. 60.7 percent of the nation's total).

The percentages for other islands were higher than that of 1980. Sumatra, about a fourth of Indonesia's land area, was inhabited by 20 percent of the nation's populace. While Kalimantan which shares 28 percent of the nation's land has only five percent of the nation's total population.

Java also still ranked as Indonesia's most dense island with 753 people per square kilometres, Sumatra's density was 69 per sq km, Kalimantan 14, Sulawesi 61, Nusatenggara 106, Maluku and Irian Jaya only six persons per sq. km.

Aswar Rasid also said that the nation was mostly inhabited by its young people, even though its percentage indicated a decline from year to year. Those aging below 15 constituted 44 percent of the total population in 1971, it declined further to 41 percent in 1980 and 39 percent in 1985.

The data was based on the survey carried out last October. About 125,000 households were interviewed at random.

The census also revealed that children aging one to five (Balita) shared a smaller portion of the population than that in 1971 or 1980.

There is a significant progress in the educational sector. About 91 per cent of children aging to 12 managed to pass elementary schools. Dropouts in certain regions were higher, such as West Kalimantan about 11 percent, Irian Jaya (16 percent) and East Timor (23 percent), whereas in the nationwide average figures Maluku had the lowest (0.7 percent) and the highest was in West Nusatenggara (3.6 percent).

/13104
CSO: 4200/902

INDONESIA

VERY FEW COMMUNIST GUERILLAS REMAIN AT BORDERS

Jakarta ANTARA NEWS BULLETIN in English 25 Mar 86 p A9

[Text]

Jakarta, March 25 (ANTARA).- Commander in-chief of Malaysian Armed Forces General Tan Sri Dato Mohammad Ghazali bin Haji Che Mat has stated that remnants of communists guerrilla along the Malaysian-Indonesian border in Kalimantan were too small in number, "even it could be said that potentially they are no longer axist."

General Ghazali made the statement answering press question after he paid a courtesy call on President Soeharto at Bina Graha Presidential office Tuesday.

"If I don't mistake their number is less than a hundred people. They launch small scale operation so it is difficult to find them, said Commander Ghazali who/accompanied by Indonesian Armed Forces Commander L.B. Moerdani. /was

The success in exterminating the communists guerrillas in Kalimantan according to Ghazali, was due to good cooperation between Indonesia and Malaysian Armed Forces.

Answering press question, the Malaysian Commander said that there were no more supporting elements from the local people to the communists guerrilla. "They are waiting for their extermination", he said.

In this respect he emphasized that exterminating operation would be continually waged by Armed Forces from the two countries under the coordination of General Border Committee (GBC).

He said that Indonesia and Malaysia could be proud of the successful close cooperation between Indonesian and Malaysian Armed Forces to date.

The cooperation covered joint exercises and joint operation, including operation to exterminate communists guerilla in Kalimantan and Serawak.

The operation would be enhanced in the future, Ghazali said.

He regarded brotherly relations between the two neighbouring countries of the same roots as of very close so that there are no negative statements in Malaysia about Indonesia.

"There are no issues in Indonesia and Malaysia that could not be solved", he said.

During his stay in Indonesia, the Malaysian Commander was also scheduled to visit the national aircraft industry in Bandung to explore the possibility of buying Indohesian made aircraft.

/13104
CSO: 4200/901

INDONESIA

BRIEFS

LABOR-INTENSIVE PROJECTS RECOMMENDED—IGGI (Inter Governmental Group on Indonesia) Chairwoman Eegje Schoo said first priority should be given to labour-intensive projects in Indonesia's regions. Mrs. Schoo, who is also Netherlands Minister for Development Cooperation said this after meeting Coordinating Minister for Economic, Financial and Industrial Affair Ali Wardhana here Monday. The two discussed the economic situation in Indonesia and what Indonesia hoped from the IGGI meeting in June, as well as regional development and the activities of the donor countries in Irian Jaya. Mrs. Schoo was pleased when she was told about the government's policy of giving top priority to regional development, although the completion of some projects had been slightly delayed. The two parties also discussed a grant bigger than that provided last year, for the economic development of the nation. After a courtesy call on foreign minister Mochtar Kusumaatmadja, Mrs. Schoo said she had no idea about the IGGI assistance to Indonesia for 1986/87 as the World Bank has not finished its anaysis. "This morning I learnt that financial aid to the amount as provided last year would be sufficient, namely US$2.4 million", she said [Text] [Jakarta ANTARA NEWS BULLETIN in English 31 Mar 86 pp A7, A8] /13104

GOLKAR EXPECTS 60 MILLION VOTES—There will be 84 million Indonesians with the right to cast a vote in the general elections to be held in April 1987, an increase of 12 million over those in 1982. The Golongan Karya (functional group), which in the 1982 elections managed to collect 48 million votes, is expected to rally at least 60 million votes, Mrs. Nani Soedarsono, Golkar board member, said at a meeting with local women leaders here Monday. She said Golkar must at least collect 60 million votes with a view to maintain the continuity of the national development. Mrs. Soedarsono voiced confidence that Golkar would achieve victory in the elections in Bali province, even with pre-election campaigns. The confidence, she said, was based on the dexterity and honestry of the local population in following the significance of the national struggle the prupose of which had been laid down by the New Order government, and the concept of which had its roots in the Golkar. The Golkar team led by Mrs. Soedarsono, also held a mass meeting with members of the functional group in Buleleng, some 80 km north of here. [Text] [Jakarta ANTARA NEWS BULLETIN in English 25 Mar 86 p A1] /13104

RESETTLEMENT AREA OPENED--The native population of Yawa regency in Irian Jaya, made up of the Yapen and Waropen ethnic groups, pledged full support to the government's plan to make the region a new home for resettlers from the more-densely popualted areas of the country. Three hundred to 500 families will be moved under the national transmigration program to the 18,944 square kilometers regency which has a population of 65,643 people, Yapen-Waropen (Yawa) Regent Andreas Karma said at his Serui office Wednesday. He said the resettlement is located in Somiangga subdistrict currently being prepared for the project scheduled for completion in August, while the transmigrants will arrive there in October. The Yawa regency brought the number of resettlement areas in Irian Jaya to seven. The others are Jayapura, Merauke, Manokwari, Fak-Fak, Nabire, and Sorong. [Text] [Jakarta ANTARA NEWS BULLETIN in English 26 Mar 86 p A10] /13104

GAS COMPANY LOSING MONEY--The State-Owned Gas Company (Perum Gas) has since 1979 continued to suffer losses that makes it unable to expand its networks of distribution throughout the country, secretary general of the ministry of mines and energy Atwar Nurhadi has revealed. Speaking to reporters here Saturday, he attributed the company's losses to the shift of its power resource from oil fuel to liquified petroleum gas. To prevent further losses by applying better and healthy management, a team has been sent to the United States to seek borrowings from the World Bank. Without elaborating about the figures of the losses since 1979, he said the deficit could lately be pushed down by the supply of gas from Cimalaya of West Java. He pointed out that the company is now streamlining its machineries by employing engineers from the Netherlands. "The rehabilitation costs are being calculated", he added. The State-owned Gas Company is now distributing gases only to such big cities as Jakarta, Surabaya, Medan, Ujung Pandang, and Bogor. [Text] [Jakarta ANTARA NEWS BULLETIN in English 31 Mar 86 p A1] /13104

CENTRAL SULAWESI TRANSMIGRATION PROGRAM--The activities of resettling transmigrants in Central Sulawesi have to be intensified to realise the targeted 30,150 families in the province in Pelita IV (fourth five year plan). Of the target, up to this year, only 6,665 families have been resettled consisting of 6,010 families (common transmigrants and 655 families of self-motivated transmigrants). The head of the Provincial Transmigrants office, K. Chairubbin, said Monday that about 2,760 families of the targeted transmigrants in Pelita III are to be resettled in the current Pelita IV. Chairuddin said that the problem he is facing in the resettlement of transmigrants in Central Sulawesi is the lack of data on the quantity and quality of the resettlement sites. According to him, his office still needs enough funds to conduct surveys on the transmigration locations prepared by the regional government. The transmigration program in the region is also facing such problems as lack of medical officials, teachers, communications problem and plantation crop seeds. [Text] [Jakarta ANTARA NEWS BULLETIN in English 31 Mar 86 p A4] /13104

CSO: 4200/902

MAHATHIR COMMENTS ON SABAH CHIEF'S COUNTERPROPOSAL

BK061319 Kuala Lumpur Domestic Service in Malay 1230 GMT 6 Apr 86

[Text] Datuk Sri Dr Mahathir Mohamed said Parti Bersatu Sabah [PBS] is too self-conscious about the party's importance and interests in the efforts to resolve the political crisis in Sabah. He said the PBS counterproposal to the peace formula to resolve the state's problem is one-sided because it looks after the PBS interests only. The prime minister told newsmen this after chairing the UMNO [United Malays National Organization] Executive Council meeting in Kuala Lumpur today.

Datuk Sri Dr Mahathir issued the peace formula during his visit to Sabah last month. During the first stage PBS, USNO [United Sabah National Organization], and Berjaya agreed to the formula which would enable the formation of a coalition government in Sabah. However, the signing of the agreement scheduled for 29 March was forced to be postponed due to PBS' change of stand.

Datuk Sri Dr Mahathir, who is concurrently the Barisan Nasional chairman, said he is made to understand that the PBS wants two-thirds of the representatives in the Sabah government to be from PBS. He said from the Barsian National's point of view, which is also that of UMNO's Executive Council, the PBS' request is not a healthy one. This is because by having a two-third majority of the state legislative assembly, PBS could amend the state constitution without any agreement by the other parties. The prime minister stressed that in the Barisan Nasional government, which is represented by various political parties and groups, there is no one political party or group which can change the constitution by itself.

Datuk Sri Dr Mahathir is still of the opinion that his proposed peace formula is the best solution to resolve the Sabah political problem. But he said Barisan Nasional will have an open mind. The most important thing is to resolve the Sabah crisis, and all efforts should be taken to achieve the objective.

Meanwhile, Berjaya will issue a memorandum to Datuk Sri Dr Mahathir concerning its proposal and stand regarding several requests by Sabah political parties to be in the Barisan Nasional. Berjaya President Datuk Mohamed Noor Mansur said in Kota Kinabalu the memorandum will be handed in before the Barisan Nasional executive meeting this Wednesday.

/12232
CSO: 4213/127

MALAYSIA

SABAH'S PAIRIN SAYS PBS TO REAPPLY TO NATIONAL FRONT

BK101257 Kuala Lumpur BERNAMA in English 1141 GMT 10 Apr 86

[Text] Kota Kinabalu, 10 April (OANA-BERNAMA)—The ruling Parti Bersatu Sabah (PBS) of the east Malaysian state of Sabah will make another application to join the National Front Coalition after the state elections for which polling is scheduled on 5 and 6 May, PBS President and Sabah Chief Minister Joseph Pairin Kitingan said Thursday.

He told reporters on his return from Kuala Lumpur that making another application for membership was normal for any political party.

The PBS had earlier applied for National Front membership but later withdraw the application.

Malaysian Prime Minister Dr Mahathir Mohamad had said after a 3-hour meeting of the National Front Supreme Council Wednesday that the Barisan National had accepted the PBS withdrawal of the application.

On further negotiations on formation of a coalition government after the state elections, Pairin said: "Consideration of cooperation will be there. There are many forms of cooperation and the basis of it is being discussed."

He also described as "quite correct" the statement by National Front Secretary-General Ghafar Baba that most of the elements in the Sabah "peace formula" to resolve the state's political crisis were suggested by Pairin himself.

Meanwhile, the major opposition party of Sabah, USNO, stated Thrusday that it respects the National Front Supreme Council decision not to get involved in Sabah's political affairs until after the state elections for which nomination is fixed for 19 April and polling for 5 and 6 May.

The party's information chief Awang Usman Salleh said that though the decision was disappointing, USNO would accept it in good faith and face the elections with zeal and determination.

"USNO is said Prime Minister Dr Mahathir Mohamad's formula to end the political crisis (in the state) has met with opposition by certain quarters," he said

The prime minister, who is National Front chairman, announced yesterday that the Sabah elections would be a free-for-all because it was the only way to decide who would govern the state.

/12232
CSO: 4200/899

HIGH COMMISSIONER COMMENTS ON TIES WITH NEW ZEALAND

HK140031 Wellington THE EVENING POST in English 7 Apr 86 p 2

[By Diplomatic Reporter Karen Brown]

[Text] The New Zealand Government's views on the role of small states in the world appear inconsistent with its antarctic policy, says the outgoing Malaysian High Commissioner Renji Sathiah.

In an interview with the POST, Mr Sathiah said the Prime Minister, David Lange, should pay an official visit to Malaysia to discuss, among other things, problems in the New Zealand-Malaysia relationship over Antarctica.

Mr Sathia, 44, leaves New Zealand on Wednesday to become Malaysia's next Ambassador to Moscow. He has been the High Commissioner in Wellington for the past four years.

Malaysia has led a Third-World Initiative which is opposed by the Antarctic treaty consultative parties, including New Zealand, to have the United Nations become more involved in Antarctic affairs.

Mr Sathiah, who has tertiary qualifications in law and economics, said he feels puzzled by New Zealand's position, as a member of the treaty consultative parties, on the matter being brought before the UN.

One of the tenets of the Government's foreign policy outlined by Deputy Prime Minister Geoffrey Palmer in a speech to the diplomatic corps in December, had been the position of small states in the world.

"On this particular issue (Antarctica), there seems to be a contradiction between the priority you give to the importance of the UN and the priority you give to Antarctica," Mr Sathiah said. "We're not pre-judging the issue ourselves. All we've been asking for is for the UN to make a study on Antarctica, which it has done, and we want the study to be examined and discussed by a committee of all the interested parties," Mr Sathiah said. "The outcome of this will be that the world community at large will be better informed on what's going on in Antarctica and can participate."

Being one of the original and full treaty members, New Zealand was aligned with some of the richest countries in the world against Malaysia and other small states that had taken the issue up in the UN.

The smaller countries could never hope to be able to make the kind of contribution that would enable them to become full treaty parties, Mr Sathiah said. They wanted more international accountability over a continent that represented the "last frontier of mankind" and a share of whatever benefits might come from it.

"We understand your special interest in Antarctica and your security concerns, Antarctica being in your back yard, but we feel that your security concerns would be even better taken care of if the international community understood Antarctica better and endorsed whatever regime looks after it."

Mr Sathiah said Antarctica was "an issue that could have repercussions on our relationship with New Zealand, and we don't want it to." He added that both sides should discuss it at the highest level, isolating it first as a problem in the overall relationship that could be discussed during an official visit. He noted Mr Lange had visited Malaysia breifly last year but said Mr Lange should also see Malaysia's industrial potential and spend more time with its leaders.

On other matters, Mr Sathiah praised the "dramatic" changes in economic policy made by the Government but criticized the private sector for not matching the Government's interest in the Asian-Pacific region. He also said that at times he could not help feeling there was a lot of "lip service" being paid to the Asean-New Zealand relationship, but little else.

In particular, the High Commissioner mentioned New Zealand moves last year to eliminate the GSP (Generalised System of Preferences) trade scheme as it applied to Singapore and Brunei, apparently without consulting Asean.

"A lot of the products that were affected have been reinstated but we're not totally reassured that the (Asean) relationship is being taken as seriously as it should be taken," Mr Sathiah said. "I think the powers that be here do recognise that and personally I expect some improvement."

Asean was undoubtedly a key future market for the region, Mr Sathiah said, but New Zealand, unlike Australia, was not well prepared to take advantage of it.

"I don't think people in New Zealand are mentally attuned to the Asian-Pacific region, despite what the government says. "The problem is that the general public, and particularly businessmen, are poorly informed about the region."

Mr Sathiah said he would like to see more businessmen visit Malaysia and more New Zealand investment in the region.

On Anzus, Mr Sathiah said Malaysia, which is involved in five-power defence arrangement with New Zealand, Australia, Britain and Singapore, was concerned that this arrangement would be diminished by an alliance breakdown.

Malaysia's new ambassador to Moscow was reluctant to comment in detail on his country's concerns about developments in the northern Pacific with the Soviet bluewater fleet. However, he said Malaysia believed the status quo in the northern Pacific had changed. It had taken a long time to build up existing alliances, he added, some of which were interlocking. Malaysia believed it was "the wrong time for any destablishing element to be introduced."

"Our position...is that the problem is one that has to be resolved between you and the United States. We certainly don't intend to interfere in any way but we can't help but be concerned about its possible repercussions."

The new Malaysian High Commissioner to New Zealand has not yet been announced but is expected to arrive in May.

/12913
CSO: 4200/915

MALAYSIA

EXPORTS UNDER ASEAN TARIFF ACCORD DOUBLE IN 1985

BK090849 Kuala Lumpur BERNAMA in English 0756 GMT 9 Apr 86

[Text] Kuala Lumpur, 9 April (BERNAMA)—Malaysia's exports under the ASEAN preferential tariff agreement (PTA) last year almost doubled to 36.21 million ringgit (about U.S.$13.66 million) from 18.26 million ringgit (about U.S.$6.89 million) the previous year.

According to the latest issue of the Trade and Industry Ministry's international trade division publication, Malaysia's exports to Indonesia under the scheme increased 5-fold to 10.56 million ringgit (about U.S.$3.98 million) from a mere 1.89 million ringgit (about U.S.$713,210) in 1984.

Exports to the Philippines also went up from 3.65 million ringgit (about U.S.$1.38 million) in 1984 to 8.95 million ringgit (about U.S.$3.38 million) in 1985, but sales to Thailand dropped marginally to 6.03 million ringgit (about U.S.$2.27 million) from 6.3 million ringgit (about U.S.$2.37 million) in 1984.

The publication said major products exported to the Singapore market under the PTA in 1985 included sweetened and unsweetened biscuits, inner spring mattresses, chocolate confectionery and furniture sets.

Methanol, RBD palm Olein [name of palm oil related product] and bare rubber threads were major export items in the Indonesian market.

Major items to the Philippines market consisted mainly of palm oil related products like RBD palm Stearin, palm kernel oil and RBD palm oil.

In the Thai market, ampoules, wood preservatives, surgical rubber gloves, and stearic acid were the main export items.

The publication said the Trade and Industry Ministry will continue to press for more favourable margins of preference to enable exporters to develop markets within the ASEAN region.

It is said although the current preferential tariff rate is unsufficient for some products to effectively penetrate the ASEAN markets, the scheme appears to have benefited some Malaysian exporters.

/12232
CSO: 4200/899

BRIEFS

MAHATHIR PROMISES FAIR ELECTION—The Sabah state election next month will be a free contest among the political parties. Barisan Nasional Chairman Datuk Sri Dr Mahathir said this was the best way of determining which party would govern the state. He stressed Barisan Nasional would no longer intervene in the political affairs of Sabah until the outcome of the election of 5 and 6 May [words indistinct]. Speaking to reporters after chairing a Barisan Nasional Supreme Council meeting at the UMNO [United Malays National Organization] complex in Kuala Lumpur, he said the federal government would ensure that the elections were conducted fairly. The coming election will not affect the security of the state and people of Sabah. The prime minister added that Barisan Nasional's sole representative in Sabah—the Berjaya Party—would field candidates in all 48 state constituencies. The other contesting parties might do the same thing. [Text] [Kuala Lumpur Domestic Service in English 1330 GMT 9 Apr 86 BK] /12232

CSO: 4200/899

SURVEY CHECKS PAPER CHOICE OF METRO MANILANS

HK151120 Quezon City BUSINESS DAY in English 14 Apr 86 p 13

[By Ms. Victoria A. Gochoco-Perez]

[Text] There is strong general desire for and expectation of changes among Metro Manilans, but the more change-oriented among them prefer to read the ex-opposition papers, the second "snap survey" of the Development Academy of the Philippines (DAP) showed.

A total of 582 telephone-owning Metro Manilans were surveyed last 15 and 16 March and were asked which newspaper they read most frequently.

Of the 551 who indicated their newspaper preference, 34 percent read the PHILIPPINE DAILY INQUIRER most frequently, 21 percent the MANILA BULLETIN, 18 percent MALAYA, 8 percent MANILA TIMES, 6 percent PEOPLE'S JOURNAL, 3 percent BALITA, 2 percent TEMPO, and 1 percent each DAILY EXPRESS, TIMES JOURNAL (now the NEW HEARALD), BUSINESS DAY, and PEOPLE'S TONIGHT.

"The newspaper one reads reveals alot about (one's) political orientation. If he reads the excrony newspapers, chances are he is relatively conservative; if he reads the ex-opposition newspapers, chances are he is change-oriented. This, of course, sounds commonsensical, but recent survey results provide partial confirmation," Segundo Eclar Romero wrote as he explained the survey results.

The results showed that MALAYA (67 percent) and INQUIRER (66 percent) readers were most supportive of the declaration of a revolutionary government, compared to the MANILA TIMES (55 percent), BULLETIN (51 percent), and PEOPLE'S JOURNAL (48 percent) readers.

Only the readers of the INQUIRER seemed to be in favor of abolishing the Batasang Pambansa by a clear majority of 54 percent. Among the MALAYA readers, a plurality or 49 percent felt the Batasan should be retained. A majority 56 percent of the TIMES readers, 57 percent of the readers of BULLETIN, and 67 percent of PEOPLE'S JOURNAL readers seemed against the Batasan abolition, the survey showed.

A sizable majority in all cases said the country needs a new constitution: 86 percent of MALAYA readers, 84 percent of INQUIRER, 77 percent of PEOPLE'S JOURNAL, 65 percent of both TIMES and BULLETIN readers.

All also favored the release of political detainees Jose Ma. Sison and Dante Buscayno alias Commander Dante. Inquirer readers were most in favor (55 percent). The JOURNAL readers showed a lower disapproval rate (12 percent) than the MALAYA readers (22 percent). But the JOURNAL readers gave an "uncertain" response, making them difficult to classify, the survey said.

Readers of INQUIRER were found to be most optimistic about the chances of progress in the country (87 percent), followed closely by those of MALAYA (86 percent) and the TIMES (84 percent).

Less optimistic were the BULLETIN (72 percent) and PEOPLE'S JOURNAL readers (64 percent). The JOURNAL readers were an "uninspired" group, with only 23 percent thinking the chances of progress are just the same as before the new dispensation, "compared to at most 2 percent - 7 percent of the other reader categories."

When the results, however, were compared with how they saw the chances of progress of their own respective families, the level of optimism became "markedly lower" for all categories of readers, the survey found.

INQUIRER, MALAYA and TIMES readers were significantly more optimistic than the readers of BULLETIN and PEOPLE'S JOURNAL. Particularly, 36 percent of PEOPLE'S JOURNAL readers saw the chances to be the same as before.

About 25 percent of BULLETIN and PEOPLE'S JOURNAL readers were uncertain about their family's chances of progress, compared to one of six of INQUIRER readers and one of 12 MALAYA and TIMES readers.

On whether the Ministry of Human Settlements should be abolished or not, the survey found that half of the readers of INQUIRER, MALAYA and MANILA TIMES were for abolition while JOURNAL readers favored retention (48 percent).

The survey concluded that INQUIRER and MALAYA readers seemed to be more supportive and expectant of change than BULLETIN and PEOPLE'S JOURNAL readers. The MANILA TIMES readers, it noted, appeared to be somewhat in the center of this spectrum.

The survey said it is most possible that one picks a newspaper that is "most hospitable" to one's political views, rather than one picking up his political orientation from the newspaper one reads.

The comparative sizes and the rate of circulation rise and fall of newspapers should relfect the "underlying shifting of political orientation of the consumers of the print media."

The circulation of 'excrony" newspapers BULLETIN and PEOPLE'S JOURNAL, which is a combined 36 percent compared to that of the ex-oppositionist papers (64 percent), "says a lot about which political orientation is dominant today," the survey said.

The survey results also showed a relationship between newspaper preference and educational attainment: the most highly educated prefer the INQUIRER (40 percent of postgraduate level and 39 percent of college level respondents) while the less educated preferred the PEOPLE'S JOURNAL (21 percent elementary level and 8 percent high school respondents).

The INQUIRER readers shun the PEOPLE'S JOURNAL almost completely while PEOPLE'S JOURNAL readers feel the same way about the INQUIRER.

The other three newspapers were found to have well-distributed readerships across all educational levels although the TIMES was found to be read only by at most 12 percent in any educational level.

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CSO: 4200/918

BRIEFS

RALLY FOR MARCOS' RETURN--More than 2,000 Kabataan Barangay [Barangay Youth], joined by some Marcos loyalists, demonstrated at the Liwasang Bonifacio yesterday to demand the return to the country of former President Marcos. The rally lasted a few hours. From Liwasang Bonifacio, the demonstrators marched to the U.S. Embassy where they staged a picket. No violence was reported. [Text] [Dagupan City CZDL Radio in Tagalog 0445 GMT 16 Apr 86 HK] /12913

NDF READY FOR DIALOGUE--A high official of the communist party in Western Visayas declared that they are ready to conduct a dialogue with the government, but a (peace plan) must first be presented. An official of the National Democratic Front said in an interview in Calinog, Iloilo that the party will continue its struggle against the military, and thus there is need for a (peace plan). The rebel also said that President Aquino is doing well, but admitted that she is vulnerable to manipulations of politicians, big business, and the United States. He added that while the president is sincere in introducing reforms, she is not in control of all institutions. [Text] [Dagupan City DZDL Radio in Tagalog 0445 GMT 11 Apr 86 HK] /12913

CSO: 4211/43

FORMER DIRECTOR OF PAN ELECTRIC ARRESTED

BK130515 Kuala Lumpur BERNAMA in English 0458 GMT 14 Apr 86

[Text] Singapore, 14 April (BERNAMA)--The former director of Pan Electric [Pan-31] Industries, Peter Tham Wing Fai, was arrested soon after he landed at the Changi International Airport Monday morning, a statement by the Singapore Commercial Affairs Investigation Department (CAID) said Monday.

Tham, 37, who is also chairman of GIH (Growth Industrial Holdings) and managing director of Associated Asian Securities, was taken into custody at 01:45 SST [Singapore standard time] when he flew in togehter with CAID officials.

"CAID officials, led by investigative team leader Yeo Poh [word garbled], had flown to Tokyo for Peter Tham's surrender after his recent arrival from the United States," the statement said.

Tham is being sought by the authorities here for alleged criminal breach of trust and stock market manipulation in connection with Pan Electric which went into receivership last December with debts of nearly S$400 million.

Tham was investigated by the Stock Exchange of Singapore in August 1984 for insider trading but the investigation proved inconclusive. Shortly after that, he left Singapore.

CAID so far prosecuted two persons connected with the Pan-El affair. One of them is Malaysian businessman-politician Tan Koon Swan who is facing 15 charges of abetting criminal breach of trust, cheating and stock market manipulation in the Pan-El affair. He has pleaded not guilty and is due for trial on 5 May.

In February, Tan Kok Liang, the former director of Pan-El, was jailed for 15 months after he pleaded guilty to two criminal breach of trust charges involving more than S$54,000.

It was said that Tham was earlier traced in Seattle, Washington State, U.S.A., by the Federal Bureau of Investigation (FBI) about two weeks ago.

Tham's whereabouts were established by the FBI after it was contacted by Interpol which had earlier been alerted by the CAID to help find him.

He was subsequently traced to San Diego where his wife, Joyce Aw, and their three children later joined him.

/12913
CSO: 4200/916

ARMY PAPER COMMENTARY DENOUNCES SDI PROGRAM

OW090833 Hanoi VNA in English 0739 GMT 9 Apr 86

[Text] Hanoi, 8 Apr (VNA)--The Army paper QUAN DOI NHAN DAN in a commentary today comes out strongly against the SDI program of the United States and its first-strike strategy.

The paper says: "The SDI program of the United States is, as the LOS ANGELES TIMES has pointed out, actually aimed at ensuring the U.S. capability to threaten the Soviet Union, as Reagan hopes that this program will provide a nuclear shield for the United States to attack without being punished.

"The U.S. administration," the paper goes on, "relies on the Ohio submarine carrying Trident missiles, the B1 bomber and the MX as a 'strategic trio' for its first-strike ability.

"Moreover, since November 1983 Reagan has stepped up the deployment of 572 medium-range missiles in Western Europe, including 108 Pershing 2 and 464 cruise missiles.

"U.S. researchers have worked out a plan for a nuclear attack by the United States. That plan will be realized if the bellicose imperialist forces are given the freedom of action. They are now seeking such freedom of action through the SDI program. That is why the United States has tried to scrap the treaty on the limitation of anti-missile systems it signed with the Soviet Union in 1972, and also the United States is the only country to oppose the UN General Assembly's resolution on banning the militarization of outer space.

"All this has made it understandable that the world movement for peace and against the SDI program and the danger of a nuclear war has developed stronger than ever before," the paper says in conclusion.

/9604
CSO: 4200/903

AFP: SRV 'SOURCE' WELCOMES IDEA OF TALKS WITH THAIS

BK101524 Hong Kong AFP in English 1410 GMT 10 Apr 86

[Text] Hanoi, 10 Apr (AFP)--Vietnam welcomes the idea of a meeting with Thai officials for talks on common security questions in a step toward a peaceful solution in Cambodia, an authoritative source indicated here Thursday.

The source told AGENCE FRANCE-PRESSE that on the basis of first reports, the idea advanced Tuesday by Indonesian Foreign Minister Mokhtar Kusumaatmaja for a Thai-Vietnamese meeting--probably at the foreign ministerial level--seemed "constructive."

The source refused further comment and did not say if Hanoi felt that such a meeting might be held soon.

Mr Mokhtar said in Jakarta on Tuesday he planned to propose the Thai-Vietnamese meeting during a nonaligned foreign ministers' meeting next week in New Delhi, where he is to hold talks on Cambodia with his Vietnamese counterpart, Nguyen Co Thach.

Indonesia represents the Association of Southeast Asian Nations (ASEAN), of which Thailand is a member, in discussions with Vietnam on Cambodia.

(In Bangkok, meanwhile, a senior Thai Foreign Ministry spokesman said Thursday that Thai Foreign Minister Sitthi Sawetsila was ready to meet with Mr Nguyen Co Thach for direct talks on the Cambodian question. Mr Sitthi told Mr Mokhtar, who arrived in Bangkok Wednesday, that direct talks were possible if Mr Nguyen Co Thach was serious. Mr Sitthi and Mr Nguyen Co Thach last met face-to-face on 6 June, in Bangkok, the ministry spokesman said, adding that a meeting between the Thai and Vietnamese foreign ministers may take place in the third week of April.)

Vietnam has always expressed support for a meeting between Mr Nguyen Co Thach and Mr Sitthi to discuss security problems arising from the Cambodian conflict, observers said.

During a 24-hour visit to Thailand in October, Hoang Bich Son, Vietnam's vice minister of foreign affairs, expressed his government's interest in a meeting between Mr Nguyen Co Thach and Mr Sitthi, Bangkok said.

Thailand has frequently accused Vietnam, which maintains an estimated 150,000 soldiers in Cambodia, of incursions into Thai territory where some of the Cambodian resistance forces fighting the pro-Hanoi Phnom Penh regime are based.

The source here Thursday stressed that at "first sight" Mr Mokhtar's proposal for a Thai-Vietnamese meeting was in accord with "analogous ideas" put forward by the three countries of Indochina.

The foreign ministers of Vietnam, Laos and Cambodia proposed during a conference in January that negotiations be opened with Thailand "to settle fundamental questions relating to their mutual relations on the basis of peaceful coexistence."

The final communique issued by the conference stressed that reestablishing and consolidating good-neighbor relations between Thailand and the countries of Indochina would constitute an extremely important factor for peace and security in Southeast Asia.

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CSO: 4200/903

COSMONAUT PHAM TUAN RECALLS SPACE FLIGHT

OW110849 Hanoi VNA in English 0722 GMT 11 Apr 86

[Report by VNA correspondent]

[Text] Hanoi, 11 Apr (VNA)--In anticipation of the 25th cosmonauts' day (12 April), I called on Colonel Pham Tuan at his modest cottage on Hanoi's outskirts. Six years ago, together with Soviet cosmonaut V.V. Gorbatko, he successfully flew into outer space aboard the "Soyuz-37" orbital complex, becoming the first cosmonaut not only in Vietnam but also in Asia.

Pham Tuan was honoured "Hero of the Vietnamese Armed Forces" for shooting down a U.S. B-52 strategic bomber in a dogfight in December 1972. Following his space flight, he was conferred the title "Labour Hero of Vietnam" and "Hero of the Soviet Union."

In a cordial talk with me, Pham Tuan, 39, recalled his deep impressions about his space flight. "Our crew," he said, "carried out almost 30 research projects aboard the spaceship including several sponsored by Vietnamese scientists. Many studies and experiments were conducted in the framework of the intercosmos program. They can be listed in five major groups: meteorology, bio-medicine, telecommunications, physics and technology, and tele-detection."

Asked about the application of scientific progress, especially results of research during his flight, to Vietnam's conditions, Pham Tuan replied:

"Scientific achievements in the cosmic field have proved very useful for Vietnam in economic development.

"We conducted many researches and experiments aboard the orbital complex. Studies on cosmic meteorology have in fact helped Vietnam work out better methods of processing information about and analysing characteristics of typhoons gathering in the Pacific. Results of medico-biological experiments have enabled Vietnamese pharmacists to study and produce anti-radiation medicine and apply new methods of phusical exercise in training pilots and cosmonauts. Biological studies have shown that Azolla Pinnata can form a close-cycled ecosystem aboard a spaceship, thus contributing to the study of long space flights."

"With regard to cosmic telecommunications," he said, "our studies have helped improve techniques of processing information given by satellites and the quality of Vietnam's telecommunications service."

Pham Tuan said experiments on cosmic physics and technology have supplied Vietnam--which lies in the equatorial geo-magnetic region--necessary data for the building of scientific stations for the observation and treatment of information from satellites to facilitate its survey of atmospheric layers and cosmic topography.

He said for him the most interesting studies during his space were those on tele-detection. They have given great help to Vietnam in marking off its territorial regions and assessing its natural resources. Thanks to results of the research, Vietnam has updated its geological and meteorological maps and conducted surveys on the evolution of its forests, rivers, continental shelf, and other natural wealth.

The Vietnamese cosmonaut extolled the outstanding achievements of the Soviet Union in the conquest of outer space. Soviet scientists, he said, have rendered devoted assistance to their colleagues in fraternal socialist and friendly countries. Steady progress has been made in furtherance of the intercosmos program. Many countries have sent their scientists and cosmonauts to work and study in the Soviet land. Among international crews aboard Soviet-made spaceships were cosmonauts not only from socialist countries but also from other nations including France and India. "It goes without saying that peace, friendship and cooperation prevail in the Soviet program for cosmic research and conquest," Pham Tuan said.

Commenting on the United States' Strategic Defence Initiative (SDI), known as "Star Wars" program, Pham Tuan said that the rulers in Washington have made full use of achievements of American scientists in the cosmic field to realize their sinister designs. "In essence," he said, "SDI is aimed at securing the right to deal with impunity the first nuclear strike at the Soviet Union, the bastion of world peace."

"U.S.-led imperialism, by frenziedly accelerating the militarization of outer space, is pushing humankind to the brink of a nuclear holocaust," said the young and stalwart hero. "It is therefore imperative for the people in Vietnam and elsewhere in the world to step up the struggle against the arms race, for peace, friendship and cooperation among nations," Pham Tuan said.

/9604
CSO: 4200/903

NHAN DAN CRITICIZES U.S. ROLE IN ASIA, PACIFIC

BK121444 Hanoi Domestic Service in Vietnamese 0030 GMT 12 Apr 86

[From the review of NHAN DAN for 12 April]

[Text] On its international page, NHAN DAN carries an aritcle by (Nguyen Van Qui) entitled: For Peace and Stability in Asia and the Pacific. The article says: In Southeast Asia, the United States is attempting to undermine the trend of dialogue between the ASEAN and Indochinese countries, supporting and assisting Thailand in maintaining reactionary Cambodian forces on Thai soil to oppose the PRK, and continuing to exert an economic blockade against and isolate politically the three Indochinese countries in the international arena.

In South Asia, the United States is seeking to consolidate Pakistan to replace its foothold that was eliminated in Iran, striving to turn Pakistan into a springboard in this region, using Pakistan to exert pressure on India, using the Afghan issue to undermine stability in the region, maintaining a tense situation in US-USSR relations, and undermining the atmosphere of dialogue in this region and the world.

The article stresses: In carrying out all these sabotage activities against the revolutionary and progressive forces in the region, the United States has received positive assistance from China. At present, the Beijing administration, while talking about its independent foreign policy, in reality has sided with imperialism to materialize its four modernizations and expansionist scheme. In Asia and the Pacific, China is carrying out its activities along with or in close coordination with the United States.

The article adds: In Southeast Asia, Vietnam, Laos, and Cambodia have many times made proposals to accelerate dialogue between the ASEAN and Indochinese countries to contribute to building Southeast Asia into a zone of peace, stability, and cooperation. Vietnam has many times proposed to China resuming negotiations to normalize relations between the two countries. Another effort to restore peace in Asia is the proposal of socialist and nonaligned countries, especially India, calling for an international conference to discuss ways and means to turn the Indian Ocean into a zone of peace. Over the past several years, deputies of national assemblies of fraternal countries in Asia have organized meetings and get-togethers with deputies of other countries in the region. Through these meetings, it has been discovered that though the viewpoint on particular [words indistinct] and national assemblies of these countries, all of them have supported dialogue through negotiations to solve problems in relations among nations. This trend has created favorable conditions for further exchanges of views between deputies of various nations for the interests of security in Asia and the Pacific.

The article concludes: A recent conference issued a concluding communique calling on Asian countries to expand their contacts, accelerate coordination to struggle in each country and in the whole region to oppose the danger of war, and implement the initiatives and constructive proposals of socialist countries and other nations to turn Asia and the Pacific into a zone of peace and stability.

/12913
CSO: 4209/448

INTERNATIONAL RELATIONS, TRADE, AND AID

UN ENVOY SUPPORTS WORLD DISARMAMENT CONFERENCE

OW141339 Hanoi Domestic Service in Vietnamese 1100 GMT 13 Apr 86

[Text] After five days of discussions on the convening of a world disarmament conference in accordance with a 1971 UN General Assembly resolution, the first session of the ad hoc committee established with the mandate to prepare for the conference has not reached a consensus on convening the conference.

During the discussions, almost all socialist countries have stressed the need to convene a world disarmament conference in order to ease the current world tension.

Speaking at the 8 April session as an observer, Ambassador Bui Xuan Nhat, acting head of the Vietnamese representation to the UN, criticized the western countries' negative attitude which had impeded the ad hoc committee's work and prevented an early convening of the world disarmament conference. He said: Despite the positive changes in recent international relations, the world situation in general has remained complicated, the arms race has been frantically stepped up, and large amounts of funds have been lavishly spent on the SDI program aimed at taking the arms race to outer space.

After dealing with the world people's current peace movement, Ambassador Bui Xuan Phat stressed: Vietnam fully supports the Soviet Union's comprehensive and practical proposals advanced by Comrade Gorbachev, general secretary of the CPSU Central Committee, in January 1986 with a view to eliminating all nuclear weapons and reducing other types of arms.

Ambassador Bui Xuan Nhat asserted: The Vietnamese government fully supports the early convening of a world disarmament conference and holds that, in the current world situation, the holding of such a conference with the participation of all countries will help promote mutual understanding and speed up the disarmament process, thus contributing to easing world tension and creating conditions for devleoping the trend toward Detente.

/12913
CSO: 4209/448

INTERNATIONAL RELATIONS, TRADE, AND AID

BRIEFS

MESSAGE TO ITALIAN CP CONGRESS--Hanoi, 9 Apr (VNA)--The Central Committee of the Communist Party of Vietnam today extended a message of greetings to the 17th Congress of the Communist Party of Italy. The message notes that the Italian Communists together with other democratic and progressive forces in the country have persistently struggled for human rights, democracy and social progress, and against the reactionary forces' socio-economic policy which runs counter to the interests of the working class and the working people. It also notes that the CPI has positively taken part in the common struggle against the arms race and the deployment of the medium-range missiles of the United States and other NATO member countries in Italy and Western Europe as a whole, for peace and disarmament and for the cooperation among countries in the region. "We warmly welcome your successes and fully support your struggle in the interests of the Italian working class and people, for peace, democracy and social progress the world over," says the message. [Text] [Hanoi VNA in English 1448 GMT 9 Apr 86] /9604

GDR ACADEMICS' VISIT--Hanoi, 9 Apr (VNA)--A delegation of the GDR Academy of Sciences led by its deputy general secretary, Academic Herbert Meissner has paid a visit to Vietnam as guest of the Vietnam Committee for Social Sciences and the Vietnam Institute of Sciences. While here, the delegation toured Ho Chi Minh City and the central Vietnam provinces of Quang Nam-Da Nang and Binh Tri Thien, and gave lectures at the Nguyen Ai Quoc Higher Party School, the VCP Central Committee's International Department, the Institute of Marxism-Leninism, and the host committee here. It was received by Le Quang Dao, secretary of the party CC and head of its Commission for Science and Education. A plan of scientific cooperation for the 1986-1990 period between the Vietnam Committee for Social Sciences and the Vietnam Institute of Sciences on the one side, and the GDR Academy of Sciences on the other, was signed here on 4 April by Professor Vu Khieu, deputy director of the host committee and Academic Herbert Meissner. [Text] [Hanoi VNA in English 1459 GMT 9 Apr 86] /9604

SOCIAL SCIENTISTS IN INDIA--Hanoi, 9 Apr (VNA)--A delegation of the Vietnam Commission for Social Sciences led by its chairman Prof Pham Nhu Cuong, paid a visit to India from 15 March to 6 April. During its stay, the delegation, guest of the India Council of Social Science Research, had working sessions with the host organization's president Prof G. Parthasarathy and other leading members, with Prof Ramohan Singh, vice-chairman of the State Planning Commission, and other Indian scientists from various institutes and universities in New Delhi, the cities of Chandigarh, Bombay, Calcutta, Madras, Jaipur, and Agra. The host and his guests briefed each other on the research of social sciences in their respective countries and agreed on promoting their bilateral cooperation. The delegation also toured historical sites and cultural establishments in Calcutta and was received by Lafjyoti Basu, chief minister of West Bengal State. [Text] [Hanoi VNA in English 0705 GMT 9 Apr 86] /9604

LEADERS ATTEND FESTIVALS--Hanoi VNA 14 April--A get-together was arranged at the International Club here this evening in honour of Boun Pi May and Chol Chhnam Thmei, New Year Festivals of Laos and Kampuchea respectively. It was attended by Vu Quang, member of the Communist Party of Vietnam Central Committee (CPVCC) and head of its international department, Hoang Truong Minh, member of the CPVCC and president of the Vietnam-Laos Freindship Association, Pham Dinh Vinh, and Dao Tung, vice presidents of the Vietnam-Kampuchea Friendship Association, and others. Lao Ambassador Khampheun Tounalom and Kampuchean Ambassador Tep Henn were present. Speaking on the occasion, Lao Ambassador Khampheun Tounalom expressed great joy to celebrate the traditional New Year Festivals of Laos and Kampuchea in Vietnam, a fraternal country. He said that in the New Year, the Lao and Kampuchean peoples would continue strengthening their special solidarity and comprehensive cooperation with the fraternal people of Vietnam, enhancing their solidarity and militant alliance with the peoples of the Soviet Union and other fraternal socialist countries. He expressed his belief that the peoples of Kampuchea, Laos and Vietnam will win still greater successes in the New Year. [Text] [Hanoi VNA in English 1558 GMT 14 Apr 86 OW] /12913

PHAM VAN DONG SYMPATHIZES--Hanoi VNA 14 April--Chairman of the Council of Ministers, Pham Van Dong today sent a message of sympathy to his Mongolian counterpart, Dumaagiyn Sodnom, over the heavy human and material losses caused by the recent prairie fire which struck 10 districts of Dornod and Vhentey provinces in Mongolia. The message wishes the people in the fire-stricken provinces quick recovery from the losses caused by the calamity. [Text] [Hanoi VNA in English 1552 GMT 14 Apr 86 OW] /12913

VNA, ATA SIGN AGREEMENT--Hanoi VNA 14 April--An agreement on professional cooperation was signed here on 11 April between Vietnam News Agency (VNA) and Agency Telegraphique Albania (ATA). Signatories were Dao Tung, VNA director general, and Syrja Laze, Albanian ambassador extraordinary and plenipotentiary to Vietnam and on behalf of ATA. [Text] [Hanoi VNA in English 1545 GMT 14 Apr 86 OW] /12913

SRV DELEGATION ARRIVES--Berlin, 14 April (ADN)--The following arrived today in the GDR capital to take part in the 11th SED Congress at the invitation of the SED Central Committee. The delegation from the Vietnam Communist Party, led by Chu Huy Man, member of the Central Committee Political Bureau, and vice chairman of the Council of State. It includes Nguyen Van Trong, deputy director of the Foreign Relations Department of the Central Committee, and Tran Hoai Nam, SRV ambassador to the GDR. The guests were greeted by Harry Tisch, member of the SED Central Committee Politburo. [Text] [East Berlin ADN International Service in German 1327 GMT 14 Apr 86 LD] /12913

CSO: 4620/35

PARTY ACTIVITIES AND GOVERNMENT

TEXT OF RESOLUTION 40 OF HAIPHONG PARTY STANDING COMMITTEE

Haiphong HAI PHONG in Vietnamese 13 Dec 85 pp 1,4

[Article providing complete text of Resolution No 40 NQ/TU, dated 5 December 1985: "Resolution of Standing Committee, Municipal Party Committee, on Implementing the Formula, 'The Party Leads, Working People Own, State Manages' in Villages, Cooperatives"]

[Text] I. Socialist Collective Ownership in Villages, Cooperatives

Collective ownership is the essence of the new system. The collective ownership system is given substance in the formula: the party leads, the working people own, and the state manages. These are three closely-related aspects forming a unity: the party leads for the people to own; the people own via the state; state management is implementation of party leadership and guarantees the people's right of collective ownership.

The collective ownership system, which is the correct, enlightened policy of our party, has become a strong force, growing constantly stronger, that leads our country's revolution from victory to ever greater victory

In villages and cooperatives, where the policies of the party and the state are directly implemented, the three revolutions are carried on, and arduous revolutionary activities of the masses take place every day and every hour, collective ownership has aimed and continues to aim at successfully meeting the agricultural production goals set in the resolution of the Eighth Municipal Party Congress and Resolution No. 04 of the Municipal Party Committee on "advancing Haiphong's agriculture a step in the direction of large-scale production during the 1980's," especially during the period of change in direction for economic management in the spirit of the party Central Committee's Resolutions 6, 7, and 8.

The formula of party leadership, ownership by the working people, and state management is to take substance in villages and cooperatives in order to organize implementation relative to the following issues:

A. Expanding Leadership of Village Party Organization

The village party organization, which is the basic party organization in the countryside, has the function of providing comprehensive leadership of village activities according to the regulations of the party and Interim Regulation No. 15/QD-TU of the Standing Committee, Municipal Party Committee, ensuring that the party line and policies, laws of the state, and instructions and resolutions of upper echelons and of the village party organization are adhered to within the party, reach the citizens, and are successfully carried out.

The leadership of the village party organization, especially the village party committee, will occupy itself with the following issues:

1. Based on the overall plan, the district plan, natural economic conditions, experience, and production in the locality, the party committee leads the government and cooperatives in formulating the overall plan, the plans of some key sectors, and the 5-year plan and annual plans, especially the plan to 1990 and the 1986 plan, tying production to business in a formula combining agriculture, industry, commerce, and credit or one combining industry, fishing, forestry, commerce, and credit, exploiting every capability of labor, land, water, and occupations to comprehensively, strongly, and firmly develop agriculture at a fast pace, producing large quantities of food, consumer goods, and export goods, properly fulfilling obligations to the state, and enriching cooperatives and people in the village.

2. With currently available assets and mainly with labor of the village and cooperatives and assistance from above, the party leadership leads the effort to invest in building up the material and technical base in support of the economy and the daily life of the people, with primary concentration on the need to develop agriculture, forestry, fishing, and salt production, handicrafts, and communications and transportation, simultaneously giving due attention to constructing cultural projects for the good of society in the village and cooperatives. The leadership publicizes scientific and technical knowledge far and wide among the people, positively brings scientific and technological advances into production and life, and sees to it that labor is made technical.

3. The leadership strengthens cooperatives, renovating economic management, eliminating the bureaucratic and subsidized management, and switching over to economic accounting and socialist business. They will perfect product contracting with groups and working people in keeping with the spirit of Instruction No. 67 of the Secretariat of the party Central Committee, Resolution No. 04 of the Municipal Party Committee, and Decision No. 218 of the Municipal People's Committee. They will stress practicing the principle of distributing according to results of labor, centralizing economic management, business accounting within each occupation, and distributing according to the product unit price in each occupation.

The leadership is to develop family business strongly in the right direction and expand joint and combined forms of operation with other cooperatives and state-operated installations. They will continue to improve the non-socialist sector of the economy, increasing management to control the market.

4. They will lead development of cultural, educational, health, and sports efforts in the village, stepping up the movement to build a new life and new cultural family and build a new civilization. They will strive resolutely to eliminate such social evils as gambling, addiction to smoking, prostitution, bootlegging, shiftless begging, and superstition. They will provide close leadership to the family planning drive to lower the population growth rate.

The leadership will strive to meet the goal of putting up tile roofs throughout the countryside in line with formulated plans and projects.

5. The leadership will maintain order and security, strengthen national defense, and regularly school cadres, party members, and the people in a sense of revolutionary awareness and of protecting national secrets. They will fight every psychological warfare activity and destructive operation of the enemy and counter every shortcoming in the economy and in society.

6. They will strengthen the political base in the village, especially the party organization, tying party-building to carrying out political tasks and implementing the new management system. They will streamline organization and enhance the capability of the party committee leadership and party chapter leaders in all ways, especially in economic management ability, and bring out the exemplary nature and preeminence of party members. They will formulate cadre programs and carry them out well.

To implement the above tasks well, the village party organization and party committee adopt the platform of the working class and resolutely fight for the party line and viewpoint. They will efficiently, aggressively, creatively, and resolutely lead and guide implementation of the line and policies of the party and state.

The party committee provides comprehensive and absolute leadership, but must get deeply involved in economic leadership and concentrate on discussing and determining broad operational principles and methods of implementation. The party committee allocates matters pertaining to state management and cooperative management to government authorities and management boards of cooperatives, which guide their detailed implementation. The party committee provides close leadership to ideological and organizational activities, party-building, and mass activities; it regularly inspects and listens to reports, eliminates deficiencies, and enables government authorities and cooperative management boards to exercise their functions and tasks. It sees to the education and training of party members to enrich revolutionary virtues, bring out the preeminence of party members, and constantly develop their aggressive, creative revolutionary spirit, willingness to think and do new things effectively, resolve to struggle against sluggish conservativism, disorganization, and lack of discipline, with absolutely no toleration for sympathies for individuals or relatives, provincialism, factionalism, using one's authority to intimidate and oppress the masses, or flattery and failure to take leadership of the masses.

The party committee is to be attentive to the masses and consult them before making decisions and during the process of implementing policies and activities of the village and cooperatives and will obtain opinions of the masses and their participation in party-building and their critiques of cadres and party members.

B. Strongly Developing Working Peoples' Right To Collective Ownership

The goal of the collective ownership system in the village and cooperatives is to launch a true, strong revolutionary movement of the masses to successfully perform each political task in the countryside and guarantee the right of villagers and cooperative members to be in charge of all activities, especially in production and in distribution of income.

The collective ownership right of the people and cooperative members is manifest in the responsibilities, duties, and rights of citizens according to the constitution and law. The following will guarantee the collective ownership right of the working people in the village and cooperative:

1. The village party committee and people's committee, cooperative management boards, and mass organizations regularly provide propaganda and education in many forms to raise the political awareness of the people, circulate among the people needed general knowledge on economic management and science and technology, especially in the areas of agriculture and life, teach the people to unite for mutual assistance, with feelings of love and truth. The principle of having the people know, discuss, perform, and inspect must be implemented in respect to activities of the party, the government, and the masses in keeping with the line and policies of the party and state, resolutions and regulations of the village party committee and people's committee and the management board of the cooperative which the people and cooperative members are to carry out.

2. The opinions and rights of each person are to be truly heard, respected, and used in running for election and electing our representatives to organs of state authority, to management boards and control boards of the cooperative, to executive committees of mass organizations, and in relieving those without qualifications in those organs and organizations according to the laws of the state and regulations of collective economic organizations and mass organizations.

Each villager and each cooperative member is responsible for fully carrying out his responsibilities and every duty and right of citizens according to the constitution and laws of the state and party policy.

Responsible agencies in the village and cooperative and upper echelons, which comprehensively resolve all problems regarding duties and rights and protect the life and property of the people and cooperative members must be fair and reasonable, without prejudice or abuse and without demanding gifts or bribes.

Every 6 months and annually, village people's committees and management boards of cooperatives must report its actions to the people and to cooperative members, and they must obtain opinions and respond to all motions and questions of the people and cooperative members.

Complaints of people and cooperative members must be resolved and answered as quickly as possible.

In economic relations of cooperatives with cooperative members and of state agencies with cooperatives and cooperative members, cooperative members must be truly equal and frank, and economic contracts that have been signed must be respected and correctly implemented. No ways or means must be employed that harm the interests of the people and cooperative members. He who has the obligation to pay must pay; he who has the debt must pay it.

3. Along with the state, mass organizations are representatives of the right of the masses to collective ownership, which must link the party with the masses. A firm governmental footage must be built up in organizations and improved in operational orientation. They must increase quality and effectiveness of efforts to fight against a working manner that is administrative and formalistic.

Under the leadership of the party committee and working with the village people's committee, mass organizations must show initiative in mobilizing the masses to formulate and implement rights programs, which is the task of collective ownership of the working people in villages and cooperatives, in the areas of politics, culture, society, peace and honor, and national defence. The Fatherland Front Committee, mass organizations, and people's committee of the village, based on the constitution, on the regulations above, and on the practical situation of the village, are to formulate specific programs and propose them for passage at village people's conferences, then popularize them widely so that each person understands and implements them.

C. Activating the Independent Role of Cooperatives, Eliminating Bureaucratic, Subsidized Centralization; Switching to Economic Accounting, Socialist Business

Agricultural, fishing, salt production, transportation, construction, marketing, and credit cooperatives in villages are socialist collective economic organizations, operating on the principle of the party leading, the people owning, and the state managing according to the regulations of each type of cooperative.

The party and the state will develop a temporary system leading to an official policy on assigning responsibility to installations for their own production and business, including cooperatives in the countryside. Here, emphasis is on a number of matters to be well implemented:

1. Production and business are to be according to plans and programs--plans and programs of cooperatives decided on by a congress of cooperative members based on set program zoning and the district plan and based on obligations to the state, requirements for re-production and expansion and improvement of the standard of living for cooperative members and the requirement for tying production to the market. Whatever is produced is distributed wherever it is most profitable as determined by the cooperative, as long as it is in keeping with party policy and state laws.

Cooperatives bear complete responsibility for their own finances and their own profits and losses in production and business. They have the right to obtain credit from the bank and mobilize the leisure of cooperative members, possibly with a higher profit to invest in production and business. Cooperatives have merely to pay taxes to the state and ensure equity in other economic relations, and both sides profit through economic contracts, with the purchase of agricultural products centralized by the state, and cooperatives selling to the state on that principle.

State agencies must respect the right of cooperatives to self-ownership in production and business, avoiding possessiveness and harassment, rejection, and damage to cooperatives.

2. Cooperatives must improve management and do good economic accounting, ensuring profitable production and business. Efforts that fail and are no longer successful must change direction. Bureaucy and subsidy must be eliminated, and a switch made to economic accounting and socialist business, perfecting the system of product contracting with labor groups and workers. Emphasis must be placed on setting economic and technical goals, reestablishing product costs, implementing a single, centralized price system, contracting by unit price and distributing according to value, accommodating the three profits, ensuring the interests of the state, increasing the profits of the collective, and attending to the legitimate interests of the worker.

3. Cooperatives are to strictly adhere to the goals set by the laws of state, and to the state and party line and policy and resolutions and decisions of the village party committee and people's committee on the situation and results of goal implementation.

4. Congresses are to be held among cooperative members on schedule. Annual and seasonal production and business plans, methods of organizing production and business, economic and technical production goals, contract unit prices, and accounting systems must all be discussed and decided on by the cooperative members or their respresentatives. Cooperative management boards must report results of implementing resolutions of cooperative

members and results of implementing production and business plans to cooperative members or to the congress of representatives of cooperative members and are subject to the inspection and control of cooperative members.

D. Upholding Management Capability of Village Authorities

Village authorities, consisting of the village people's council, people's committee, and committees for specialized assistance, electld by the people, for the service of the people, and subject to the inspection and control of the people, are the main tools for implementing the people's right to collective ownership.

Village authorities, especially the village people's committee, have the function of administrative, economic, and social management and are responsible to the party organization and authorities at higher levels for guiding efforts to implement the party line and policy, laws of the state, resolutions of the village party organization and party committee and for economic, cultural, and social development, peace and order, national defense, building the new countryside and the new socialism in their own village.

Carrying out the above functions during the period of switch in direction of economic management, village authorities must address to the following problems:

1. The village is an economic unit with a budget, a planning unit. The village plan must adhere to the district plan, becoming the basic planning level. The village people's committee must therefore get deeply involved in economic management; utilize every capability of labor, land, water, and occupations; guide formulation and implementation of near-term planning and programming--i.e., the 1986 plan and the plan to 1990--according to the common program and changes in the planning system; organize production development; improve management; closely join production cooperatives with marketing cooperatives and credit cooperatives in a pattern of agriculture, industry, trade, and credit developing production and business, with both the collective economy and family businesses enriching the village, cooperatives, and cooperative members, completing obligations to the state, and formulating and implementing the village budget.

There must be measures for improving non-socialist elements of the economy, managing markets, and controlling the market in the countryside.

Specialized assistance committees must be strengthened and streamlined, especially planning committees, finance committees, and labor committees. The chairman of the village people's committee has general responsibility for the work of the village people's committee and simultaneously heads the village planning committee.

2. Specific measures must be taken to manage labor and population, implement labor sharing and using labor in the interests of economic and cultural development and build the new countryside.

The expansion and effective use of land, forests, lakes, and rivers must be closely managed and guided. Instances of illegal seizure, exchange, sale, or use will be stopped and punished.

Public welfare projects must be set up in the village, completing the efforts to urbanize and put up tile roofs in the counryside.

3. The authorities must guide the development of cultural, educational, health, and sports efforts, build a civilized life, the new civilized family, and the new socialist man, and implement family planning to reduce the population growth rate. They must strive to eliminate all social evils.

4. They must guide security and national defense efforts; ensure enforcement of the constitution and the laws of the state in the locality; control, prevent, and punish unlawful behavior and promptly, and correctly resolve disputes among the people and complaints, accusations, and motions from the people. They must fight such bureaucratic behavior as harassment, arrogance, and oppression of the masses and corruption.

They must rely on mass organizations and the people to strengthen and build political power.

In order to help the village people's committee extend the state's administrative management to the citizen, every production unit is simultaneously a people's cell, with a people's cell leader and assistant cell leader, elected by the people in the cell for a term consecutive with that of the people's committee, who are responsible for transmitting, spreading, and supervising of all operational tasks of the village government. Cell leaders and cell leaders receive a subsidy from the village budget.

II. Increasing District-to-village Leadership, Guidance

The district echelon, particularly the district party committee and district people's committee, is the agency directly above the village. Putting the formula of the party leading, the working people owning, and the government managing into practice in the village and cooperative requires that the district committee and district people's committee increase leadership and guidance toward villages and cooperatives, with emphasis on the follownin:

They must Guide village formulation of overall projections and projections in a number of essential sectors, formulation of annual plans, linking the village plan with that of the district, and exploiting every capability of labor, land, water, and occupations. They must provide detailed guidance to the effort to renovate economic management, implement mechanisms to activate the right of the basic level to run its own production and business, and reform the effort to organize planning. Plans must be formulated from the bottom up and consist of two mandatory goals--main products implemented (rice, pork) and taxes paid to the state. Other goals are guidance goals. Investments in villages and cooperatives are to increase to expand production and business, raise the standard of living in villages, and strive to meet socioeconomic goals set by the district.

They must closely guide efforts to strengthen and perfect new production relations in the countryside; guide the effort to change present circumstances of subsidy on the basic level, enabling cooperatives to switch over to economic accounting and socialist business; and, especially, provide detailed guidance to efforts to perfect the system of product contracting in agricultural cooperatives and mobilize establishment of the formula joining agriculture, industry, commerce, and credit, with emphasis on strengthening marketing cooperatives and credit cooperatives.

On the district level, they must guide combined and joint economic efforts between cooperatives and between cooperatives and state-operated installations and establish socioeconomic clusters.

With the help of sector committees in the city, they must decentralize socioeconomic management to villages with regard to work done by the village which is profitable and reasonable in order to develop the village's initiative and spirit of self-dependence and at the same time enable the village to perform its functions well and eliminate the system of centralized management, bureaucracy, and subsidy.

They must readjust village budgets to ensure that administrative and operational goals of the village are met in a spirit of conservation, not permitting a situation to exist in which cooperatives must "guarantee" administrative and operational goals of village authorities, as they must now, and districts invest production and business funds directly in cooperatives.

They must guide the establishment and strengthening of state-operated agricultural services in the district, especially crop and livestock services, for villages and cooperatives. They must guide techniques and management, resolve problems of capital, materials, and distribution of produce according to contracts that tie activities of these economic units with the basic level and end-product contracts. They must fight bureaucracy, possessiveness, and other shortcomings.

They must increase guidance of party-building, especially in weak, deficient villages, and building village party organizations that achieve high, solid standards. They must raise the quality of leadership in party chapters of production units.

They must systematically train and develop village and cooperative cadres. They must arrange for correct utilization of village and cooperative cadres and systematically develop them and comprehensively raise capabilities and levels, especially in the areas of economic management, techniques, and professionalism.

They must increase inspection and control over villages and cooperatives, especially regarding economics and finance, impeding and punishing violations of principles and policies.

III. Organizing Implementation Guidance

Substantiating and implementing the formula of the party leading, the working people owning, and the state managing in the village and cooperative is a process tied to innovating the economic management system in the spirit of Resolution 8 of the Central Committee and Resolution 38 of the Municipal Party Committee.

Sector committees and party echelons, especially on the district level, must arrange for careful study of thIS resolution, then publicize it among cadres, party members, and the masses and guide implementation within their area of responsibility.

In the village, the party committee must use this resolution to guide the formulation of regulations of the party, government, and cooperatives and mass-ownership regulations, with emphasis on motivating cadres, party members, and the masses to participate in their formulation and implementation. Regulations regarding ownership by the working people are formulated by the Fatherland Front and mass organizations, sent out to production units for their opinion and contribution, and then submitted to the district People's Organ of Control and People's Court to be protected by law.

Each district will select one or two villageS with which to gain initial experience, then expand to the other villages, along with implementing the provisional regulation of the city on developing the right of ownership of basic production and business installations in the countryside.

The agricultural board of the Municipal Party Committee, along with the organizational board and the mass agitation board of the Municipal Party Committee will help the standing committee of the Municipal Party Committee control and supervise implementation of this resolution.

9830
CSO: 4209/339

PARTY ACTIVITIES AND GOVERNMENT

HAIPHONG ISSUES TEMPORARY REGULATIONS ON AUTONOMY OF BASIC UNITS

Haiphong HAI PHONG in Vietnamese 25 Jan 86 pp 1, 4

[Article: "Temporary Regulations on the Management Mechanism Defining the Autonomy of Basic Units in Production and Business (Appended to Decision Number 36 of the Haiphong Municipal People's Committee dated 10 January 1986)"]

[Text] On 10 January 1986, the municipal people's committee issued a decision promulgating temporary regulations on the management mechanism defining the autonomy of basic units in production and business, the complete text of which follows:

Chapter I

General Regulations

1. The production-business plan must be formulated from the basic unit upward and be based on economic contracts. It must be closely tied to the availability of supplies and goods, to marketing contracts and must be assigned early and directly to the basic unit so that it can independently arrange for what it needs. The plan must be effective and immediately resolve the problems of the basic unit in order to yield returns in production and business.

2. Economic activities must be carried out through economic contracts. The two parties to a contract are equal and responsible to each other. Bonuses and penalties must apply to both parties and be fair and reasonable. Supplies, goods, fuel, electricity, water and so forth must be accurately weighed, counted or measured.

3. Basic units are autonomous from the standpoint of capital and may use as much cash as is necessary in production and business. Prices must be worked out promptly and in a manner consistent with production and business. Order must be restored in circulation and distribution between state-operated enterprises and cooperatives, between the sectors and the various levels, from the standpoint of both the organization of the network and the division of the market.

4. There must be close ties between the authority and responsibility, between the rights and obligations of the basic unit and the individual laborer. Economic accounting and socialist business practices must be carried out well in conjunction with taking steps to make basic units solid and strong in every respect. The conditions must be created for basic units to have direct access to supplies, capital, goods and the market and take the initiative in establishing joint businesses and economic ties and in marketing their products.

5. The principle of democratic centralism must be implemented through the mechanism "the party leads, the people exercise ownership, the state manages" in the production-business process and the standard of living of manual workers, civil servants and cooperative members must be improved.

6. The autonomy of basic units in production and business must be guaranteed. At the same time, it is necessary to define and strengthen the administrative and economic management functions of the state apparatus on the various levels, instruct and guide basic units in reorganizing their production and adopt, amend or refine procedures and policies in a manner consistent with the new mechanism.

Chapter II

The Autonomy of the Basic Unit

1. In formulating and implementing the plan.

for the purposes of these regulations, basic units are defined as enterprises, federated enterprises, federations of enterprises, corporations, federations of corporations, state farms, forestry sites, stations, farms, cooperatives, stores and so forth that practice independent cost accounting, have the status of an individual under the law and are under the management of the municipality. Basic units have autonomy in the following areas:

+ The plan of the basic unit is a unified production, technical, financial and social plan that is formulated by the basic unit itself on the basis of the four sources of materials, goods and energy embodied in economic contracts.

The state plan will only assign one to three legally binding norms to basic units:

--The value of product output or realized business revenues;

--The output of a number of primary products or goods under economic contracts;

--Budget revenues (production-business taxes).

The other norms will be directed in nature.

The municipality will assign to the basic units in communications-transportation, capital construction, agriculture and commerce legally binding norms as appropriate for each sector and trade. Basic production units that operate mainly on the basis of sources of materials and goods developed on their own will be assigned only one norm, a budget revenues norm.

+ The municipal people's committee will, through the municipal planning committee, directly assign plans to basic units (including the Association of Interbranch Handicraft Cooperatives and large cooperatives).

+ The municipal planning committee will discuss and reach agreement with the concerned services and the ward and district people's committees concerning the plans assigned to basic units.

During the 3rd quarter of each year, the municipal planning committee will issue instructions to the basic units, which will include specific information on the amount of materials, goods, energy and so forth that will be supplied by the state. On the basis of these instructions and once they have determined their economic-technical capabilities, units will independently formulate their own plans, plans that will take the form of economic contracts, and present them to the next higher level for examination and approval.

The upper level will mainly concern itself with approving that portion of the plan that pertains to products produced from materials and goods supplied by the state through economic contracts. The other portions of the plan are the complete responsibility of the basic unit and may not be imposed upon the basic unit by the upper level.

Legally binding norms must be assigned to basic units at the same time as basic units are informed of the amounts of materials and goods they will be receiving and who their customers are. This information must simultaneously be reported to the sector, ward and district. In the case of capital construction units, plans must be assigned on the basis of providing all the conditions needed by way of designs, prepared construction sites, materials and capital.

As regards basic agricultural units, production and supply plans must be assigned in time for the production season. The two-way contracts between the state and farmers must be respected. Basic units have the right, within the parameters of district zoning and planning, to select those sectors and trades that are most profitable.

+ Within small industry and the handicraft sector, the contract ordering of products will be reduced and the procurement of raw materials and sale of finished products expanded. Contracting and procurement agencies must sign long-term contracts with small industry and handicraft cooperatives that have a stable product line and long-term business licenses so that these basic units have the conditions needed to invest in technical advances.

+ Basic commerce units on all levels that want to place an order for the contract production of products that are governed by product quality regulations based on area standard or Vietnam standards must sign a contract through the production federation.

+ Basic production-business unit may expand their joint businesses and economic ties in order to develop sources of or sell on consignment materials outside those supplied by the state with the aim of meeting production and business needs. They may open addition stores to introduce, trade and repair products produced by the basic unit (selling strategic materials or goods on consignment requires permission from the municipal people's committee).

+ Agricultural, small industry and handicraft cooperatives and the people may use labor and land that are not being used and discarded materials to produce many new products and expand the household economy.

+ Contracts signed between basic production units and supply, service, transportation and other organizations must contain specific shipping and receiving terms (quantity, specifications, quality, prices and the time and place of shipment and delivery). Weighing and counting must be done correctly. The heads of those agencies that assign plans must personally approve the lists of principal products and goods; at the same time, they must allocate to the basic units the necessary primary materials, energy, transportation and services in accordance with above average ceilings on their consumption and assign legally binding norms to supply and service organizations to insure that the basic units receive these supplies and services.

+ The economic arbitration agencies on all levels must coordinate with planning agencies in observing, inspecting and assisting basic units in the fulfillment of contracts and must promptly act upon and rectify each violation of economic contracts.

+ In the process of implementing their plans, basic units can add to their plan and substitute one product for another to meet market needs provided that they still meet the legally binding plan norms on the value of product output realized and the revenues from production and business. Removing a primary product from production and substituting another product in its place requires approval from the upper level agency that directly assigned the unit its plan.

+ Henceforth, approving the basic unit's yearly settlement of accounts will become part of the regular work of the agencies that assign plans, statistical and finance agencies and other concerned agencies. Basic units must submit their reports on the results of the implementation of their plan on time and are fully accountable to the upper level and fully accountable under the law.

2. In the field of finance and credit:

+ The liquid capital that has been provided by the state to basic units will henceforth be considered capital acquired by basic units on their own. If, after 1 January 1986, their liquid capital needs rise, basic units may augment their self-acquired capital, if necessary, by borrowing money from the bank.

Newly established basic units will receive the majority of their initial liquid capital from the level I budget.

The amount of capital borrowed will be determined through negotiations between the basic unit and the bank based on the nature of the production and business of each basic unit.

Basic units have the authority to acquire capital from other sources and may borrow money from cadres, manual workers and civil servants at negotiated interest rates.

Basic units have the complete authority to make flexible use of the various types of capital and can open one or many accounts at a bank in any area of the municipality they choose.

+ Basic units may keep all capital accruing from basic depreciation and use it to maintain or upgrade their technology and invest in capital construction. That portion of this capital that cannot be fully utilized by the basic unit must be deposited in the bank.

+ The borrowing of liquid capital from the bank must be closely tied to plans for stockpiling and circulating materials and goods. Basic units in the export-import business may borrow 100 percent of the liquid capital they need, as determined by export-import procurement prices, from the bank in Vietnamese currency. In the case of a loss incurred under the plan, capital can still be borrowed from the bank while awaiting the payment of compensation for this loss from the budget. Units that use profits from imports to compensate for such losses on their own may take out a temporary loan from the bank so that they have operating capital to use until they acquire capital again.

+ In capital construction, the bank will provide credit on a priority basis to basic units for necessary projects, for coordinating, increasing the capacity of and utilizing the equipment and machinery of existing basic production-business units, for all types of fixed assets and for projects that support agriculture, the processing of agricultural, forest, marine and food products and projects that support the production of export and consumer goods.

+ The bank must introduce commercial money operations, use interest rates to encourage savings and efficiently utilize capital to promptly and fully meet the needs for cash in production and business on the basis of the cash revenues and expenditures plan and the emergency requirements of basic units.

+ With the consent of the bank, basic units that have cash revenues and expenditures may retain and use a portion of this cash.

+ The bank has the responsibility of setting reasonable interest rates on the various types of funds deposited by basic units in the bank and on bank loans to basic units.

+ The relationship between basic production-business units and the bank is a relationship between equal parties based on economic contracts, with bonuses and penalties that apply to both sides.

+ In the production-business process, the director of the basic unit is responsible under the law for the use of money. The bank will limit itself mainly to audits and not intervene too deeply in the operations of basic units.

3. In funding the budget.

+ Henceforth, all budget funding accounting will be called production-business tax and be calculated as a percentage of the total business revenues earned by the basic unit under its plan (this percentage can remain fixed for a few years if the basic unit is unable to make additional investments). Rates will be set on the basis of the nature of production and the type of products and goods being produced.

+ The profits of the basic unit are to be determined by subtracting total costs and production-business taxes from total business revenues realized (if total realized revenues are high, the basic unit's profits are high; if total realized revenues fall short of the plan, the basic unit earns little or no profit but must still pay the full production-business taxes required). The basic unit may transfer available profits to its various funds (including its trade costs fund).

+ The number of different taxes on collective production-business (small industry, handicraft and marketing cooperatives) is hereby reduced. With the exception of the commercial license tax, all business, income and sales (if any) taxes will henceforth be called the production-business tax. This production-business tax will be calculated as a percentage of the total business revenues earned under the plan by the basic unit and be based on the nature of production and the types of products or goods being produced.

+ In the case of new products, the municipal people's committee will reduce the rate of taxation by an appropriate amount for a period of 1 to 2 years if it is deemed necessary to encourage and develop their production.

+ In addition to the budget funding payments that they make to the subward or village as required under the regulations of the state and the municipal people's committee, cooperatives are not required to make any other contributions. Agencies and mass organizations are prohibited from demanding that cooperatives contribute funds beyond those required under regulations. Inspection groups must not cause an inconvenience to basic units.

4. In wages and bonuses.

+ The upper level will henceforth not approve wage funds. Basic units will formulate their own wage plans and register them with the bank so that they can withdraw cash to pay cadres, manual workers and civil servants. Wages must be compared to the standards of the state and social labor productivity within the same sector or trade.

+ Widespread use must be made of product contracts and business revenue contracts, both indirect and direct, in order to closely tie wages and bonuses to the final results of production and business. Basic units may, on the basis of their approved production-business plan, contract with teams, units and sales points and, depending upon the types of products and goods involved, with individuals. Complete project item contracts and general contractors must be utilized within the building sector, etc.

Determined efforts must be made to streamline the staff of indirect personnel and assistants once the function, task and staff needs of the basic unit have been defined.

+ The salaries of those cadres who specialize in party or mass organization work must henceforth be paid from the production-business wage fund.

+ The directors of basic units have the authority to select an appropriate method of paying wages and bonuses that provides incentive for higher labor productivity and product quality.

+ The director and party committee secretary of a basic unit who record outstanding achievements and are highly respected by the manual workers and civil servants of their unit can receive as high as double the highest bonus received by a worker.

5. In the production of export goods.

+ As an incentive, basic units that produce export goods are allowed to retain 15 to 20 percent more of their profits than are retained by units that produce domestically consumed goods.

+ Basic units that produce export goods have the authority to use and make payment in foreign currency in accordance with the regulations of the state on the use of foreign currency.

+ Basic units that earn foreign currency are permitted to open a foreign currency account and take out foreign currency loans at the Foreign Trade Bank.

--When they need to borrow foreign currency from a foreign country, basic units that produce export goods will be sponsored by the Foreign Trade Bank so that they can import materials and equipment to support the production of exports.

+ Basic units that use imported materials in their production are permitted, if these materials are not fully supplied by the state, to retain a portion of the primary products produced under their legally binding norm and those products produced over and above their plan to trade for that portion of the materials they need that were not provided by the state.

6. In prices and product marketing.

+ Materials supplied by the state are to be included in production costs at the directed prices of the state plus the costs of procurement, transportation and actual, reasonable losses.

+ Materials that are acquired by the basic unit itself are to be included in production costs at actual procurement prices, which must be prices which insure that the products produced from these materials are marketable, provide for the formation of capital for the state and earn a profit for the basic unit.

+ The production costs of each product must be determined at the basic unit and must be reasonable. To accomplish this, products must be produced under advanced economic-technical quotas that take into consideration the quality of products of the same type in both the central and local sectors, the state-operated and collective sectors, and be produced on the basis of the principles of earning a profit and producing products that are marketable.

+ In the case of products that are produced under legally binding norms using materials that are supplied mainly by the state, the basic unit must take the initiative in formulating a price plan and ascertain the opinions of the concerned agency so that it can defend this plan before the Price Review Board. The Price Review Board will determine the price after exchanging opinions with the basic unit.

+ In the case of products that are not on the list of primary products and are produced using materials obtained by the basic unit itself, the price at which these products are marketed is the price agreed upon by the basic unit and its customer as recorded in the contract or the acceptable social market price.

+ In the case of goods that are procured by the basic unit elsewhere, the marketing price is the negotiated procurement price recorded in the contract minus a reasonable commerce discount so that the price is acceptable to the social market.

+ If a basic unit produces a product in accordance with its plan and has signed a marketing contract for this product with a state-operated commerce organization but this organization is slow to pick up the products produced for it, thus causing the basic unit to incur losses, or the commerce sector does not market these products, the basic unit may sell these products to another customer and request that the other party pay the penalty stipulated in the economic contract.

+ Large retail units are permitted to receive goods directly from basic units in accordance with the distribution plan of the concerned agency and at retail prices determined by the authorized agency and minus the retail discount.

7. In organizing the apparatus and labor force of the basic unit.

+ The people's committees on the levels that are immediately above the basic units and the services, committees and sections of the specialized sectors that are directly subordinate to the municipal people's committee will serve as the staff of the municipal people's committee in providing state management of basic units.

+ The directors of basic units have the complete authority to determine such matters as contracts, hiring, transfers within or outside the unit, promotions, grade and step increases, assignments to training, disciplinary action and administration action without the need for approval from the upper level as they apply to all cadres, manual workers and civil servants under their management, from the deputy directors of federations of enterprises and corporations downward.

A director of a basic unit who violates a procedure or policy of the state, a standard or an approved plan is to be held fully accountable to the upper level and under the law. The upper level has the authority to rescind incorrect decisions made by directors of basic units.

+ The directors of basic units have the authority to decide how to organize their production and business apparatus (member enterprises, offices, sections, shops, stores and so forth) so as to insure the proper completion of the assigned task.

+ In the immediate future, those basic units whose party organization has been recognized as a solid and strong party organization are to hold an election of the unit's director by manual workers and civil servants based on the principles of one person, one vote and a secret ballot. The people's committees on the various levels will subsequently issue decisions granting state recognition of election results.

In the case of basic units that do not elect their director, the director will continue to be nominated by the concerned service and the various committees of the party and appointed by the municipal people's committee.

At cooperatives within the collective economy, the election of the management board is to be carried out in accordance with cooperative statutes.

+ The directors of basic units must respect the right of manual workers and civil servants to quit their jobs or request a transfer as defined in the labor law of the state and the regulations of the municipal people's committee.

+ Basic units are to organize skill testing for the purpose of promoting manual workers and civil servants to a higher grade or step in accordance with established state standards, not on the basis of the amount of time spent in the current grade or step.

+ If, when restructuring their production, a surplus of labor occurs, basic units may expand their subsidiary production and let out work on contract to the families of manual workers and civil servants in one of many different ways in order to provide work to the unit's manual workers and civil servants and provide them with good living conditions.

If a basic unit has done everything possible but is still unable to provide work to all of its surplus labor, it must report to the level immediately above it so that efforts can be coordinated to transfer and redistribute this labor elsewhere in the sector or the municipality.

8. Organizing efforts to look after the living conditions of manual workers, civil servants and cooperative members.

+ Basic units must hold a conference of manual workers and civil servants (at state-operated basic units) or a congress of cooperative members (at basic units in the collective segment of the economy) to formulate a plan for developing welfare projects and endeavoring to increase their welfare funds, all on the basis of the legitimate income earned from production and business, with the aim of improving the material and spiritual lives of manual workers, civil servants and cooperative members. This plan must be balanced with production, technical and financial plans and be based on the overall plan of the basic unit.

+ Basic units must establish labor insurance funds for manual workers, civil servants and cooperative members as instructed by the Labor Service and the War Invalids and Social Welfare Service. At the same time, they must arrange for the purchase of the labor insurance of other laborers [as published].

Chapter III

Restructuring and Reorganizing Production, Strengthening the Combined Service, Production and Management Organizations of the Municipality

To be consistent with the new management mechanism, the following reorganizations will take place in the immediate future:

--Production federations will be established by economic-technical sector, such as the Federation of Shoe, Sandal and Rubber Enterprises, the Federation of Textile-Dyeing and Ready-Made Clothing Enterprises, the Federation of Shipbuilding and Repair Enterprises and a number of others.

--All enterprises that are members of corporations or production federations will, regardless of their circumstances, soon be put on an independent economic accounting basis and have the status of an individual under the law.

--The commerce corporations and Federation of Marketing Cooperatives will be strengthened. At the same time, the conditions will be created for stores to practice independent economic accounting.

--The production of the small industry and handicraft cooperatives will be restructured either by incorporating them in production federations by economic-technical sector within the state-operated segment of the economy or associations of interbranch cooperatives, such as the Association of Communication-Transportation Interbranch Cooperatives and the Association of Interbranch Building Cooperatives. All of these associations will be part of the municipal Association of Interbranch Small Industry and Handicraft Cooperatives.

--Small industry and handicraft cooperatives and teams that engage in the casting of iron, the casting of brass or shipbuilding will be disbanded and the establishment of similar cooperatives and teams will not be authorized if their existence is not consistent with the industrial development planning of the municipality.

--The nature of small industry and handicraft production teams will be clearly defined so that suitable procedures and policies can be adopted.

--The possibility of organizing agricultural cooperatives whose output is large as agro-industrial-commercial-credit cooperatives or as agro-industrial-commercial-credit federations will be studied.

--In conjunction with the establishment of production federations, the services will amend and improve their statutes and internal regulations to create favorable conditions for basic units to operate in a manner compatible with the new mechanism.

+ To assist the municipal people's committee in fulfilling its state management function on the local level, the services have the following tasks and authority:

a) Guiding and assisting the basic production, business and work units, on the basis of the planning and plan of the municipality, in formulating planning and plans from the basic level upward and combining them to formulate the planning and plan of the sector and assisting the municipal people's committee in assigning plans directly to basic units while also assisting it in guiding basic units in implementing the plan assigned to them.

b) Concretizing the positions, policies and directives of the party and state to be consistent with the local situation and presenting the results to the municipal people's committee for approval while guiding the basic units in implementation.

c) Guiding the local application of technical advances by the various sectors.

d) Participating in building the organizational system of the sector and guiding the implementation of the standards, policies and procedures concerning the elementary and advanced training of cadres and workers within the sector.

e) Inspecting the implementation of positions and policies of the party and state and the regulations and directives of the municipal people's committee that pertain to the various sectors; organizing efforts to learn from experience in order to publicize ways to correct mistakes in implementation.

To fulfill the above functions and tasks well, the services must be strengthened along the following lines: they must become streamlined and efficient, reduce the number of intermediary levels and the size of their staff and assign additional competent cadres to the basic units.

--The supply corporations of the municipality, sectors, wards and districts must shift the focus of their operations to doing business in supplies and goods so that they can augment their sources with items not provided by the state. They may borrow foreign currency to import necessary materials to sell to basic production-business units.

--The combined management agencies of the municipality, the Planning Committee, the Finance Service, the municipal bank, the Price Committee, the Organization Department of the administration, the Municipal Statistical Department and so forth, must closely coordinate with the services to assist and create the conditions for the basic units to achieve autonomy in production and business.

Chapter IV

Articles of Enforcement

These temporary regulations apply to all basic production-business units within the state-operated and collective segments of the economy as of 10 January 1986.

The combined management sectors, the services and the ward and district people's committees are responsible for issuing instructions on and creating the conditions for the effective implementation of these regulations.

Service and production agencies and the enterprises of the central level located within the locality must apply these regulations well. They must also establish close relations with the sectors and basic units of the locality in order to adopt plans for providing practical and effective assistance. Problems that arise during implementation must be reported to the concerned ministry and the municipal people's committee for action.

The municipal people's committee has selected the following basic units as the sites of pilot projects in guiding the implementation of these regulations:

1. The Leather Shoe Enterprise
2. The Tan Long Casting Enterprise
3. The Dong Tien Paper Enterprise
4. The Cake and Candy Enterprise
5. The Housing Construction Corporation
6. The Toan Thang Machine Enterprise (Le Chan Ward)
7. The Urban Sanitation Corporation
8. The Bus Enterprise
9. The Agricultural and Food Products Corporation (the Commerce Service)
10. The General Business Corporation (the Municipal Federation of Marketing Cooperatives)
11. The Agricultural Products and Food Store of Le Chan Ward
12. The Tran Quang Khai Agricultural Products and Food Store (the Commerce Service)
13. An Hai District
14. The Nam Son Cooperative (An Hai District)
15. The Dong Son Cooperative (Thuy Nguyen)

16. The Tam Da Cooperative (Vinh Bao)
17. The Thanh To State Farm

In the process of implementing these regulations, all levels, sectors and units must learn from experience and promptly offer their opinions to the municipal party committee and the municipal people's committee so that these regulations can be appropriately amended and revised.

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CSO: 4209/326

PARTY ACTIVITIES AND GOVERNMENT

BRIEFS

HANOI CRITICISM DRIVE--The Hanoi Party Committee launched a drive for criticism and self-criticism from April to June. Various sectors such as planning, finance, banking, communications and transportation, trade, and public security force have assessed their strengths and weaknesses during the drive to find measures to improve their capabilities to implement various resolutions of the CPV. [Summary] [Hanoi Domestic Service in Vietnamese 2300 GMT 6 Apr 86 BK] /12913

YOUTH CREATIVITY CONTEST CONCLUDED--The competition for creativity among youths and children of the capital has concluded after 18 successful days. Attending the closing function were Le Quang Dao, secretary of the CPV Central Committee; Vo Nguyen Giap, member of the CPV Central Committee and vice chairman of the Council of Ministers; Vu Mao, member of the CPV Central Committee and first secretary of the Ho Chi Minh Communist Youth Union [HCMCYU] Central Committee, and representatives of the Municipal Party and People's Committees. The organizing committee has received almost 300 topics sent in by 107 grass-roots units of the HCMCYU from industrial, construction, communications, education, trade, and agricultural sectors. Fifty topics were classified as Grade A in this competition. [Summary] [Hanoi Domestic Service in Vietnamese 0500 GMT 7 Apr BK] /12913

CSO: 4209/448

AGRICULTURE

BRIEFS

HANOI 10TH-MONTH RICE--Hanoi is expected to plant 64,000-67,000 hectares of 10th-month rice this year with an average yield of 30 quintals per hectare. The municipality is striving consistently to provide sufficient rice varieties and fertilizers to localities to fulfill this plan norm, while the water conservancy sector is making preparations to cope with possible drought and waterlogging. Various outlying districts were also striving to increase their agricultural production output during the winter-spring crops. [Summary] [Hanoi Domestic Service in Vietnamese 0500 GMT 7 Apr 86 BK] /12913

KIEN GIANG RICE CROP--As of late March, Kien Giang province had harvested 38,000 hectares of winter-spring rice, achieving 81.5 percent of its plan norm for this crop or 6,560 hectares more than the previous crop. The province has also plowed 28,000 hectares of ricefield for the summer-fall crop. [Summary] [Hanoi Domestic Service in Vietnamese 2300 GMT 8 Apr 86 BK] /12913

CSO: 4209/448

HEAVY INDUSTRY AND CONSTRUCTION

BRIEFS

SWEDISH AID FOR BAI BANG--The Swedish International Development Agency [SIDA] appropriated 120 million kronor for forestry work related to the Bai Bang project over the next four years. This was decided by the executive board during a meeting on Wednesday [9 April]. "We are convinced that improvements have taken place for the forestry workers, and that a continued Swedish presence is a guarantee that the improvements will continue," said Carl Tham, Director of SIDA. Following reports of forced labor and poor working conditions for forestry laborers--most of whom are young women--Sweden last year stipulated that the situation would have to improve before aid would continue. [Text] [Stockholm DAGENS NYHETER in Swedish 10 Apr 86 p 8] /12913

CSO: 3650/167

TRANSPORTATION AND COMMUNICATIONS

BRIEFS

HANOI PORT UPGRADED--The Port of Hanoi has been opened to 1,000-ton freighters from the mouth of the Lach Giang river in Ha Nam Ninh province along the Ninh Co river and the Red river, the Vietnamese news agency, VNA, said. VNA said more than 600,000 cubic meters of silt was being dredged from the riverbed along the route to a depth of 3.3 metres. Hanoi port could only handle 400-ton freighters before, Vietnam's Union of River Transport Enterprises said. [Text] [Kuala Lumpur BUSINESS TIMES in English 27 Mar 86 p 9] /13104

CSO; 4200/906

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JPRS-SEA-86-075

30 APRIL 1986

Southeast Asia Report

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VIETNAM

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AUSTRALIA

EDITORIALS VIEW U.S. FLEET MOVES IN GULF OF SIDRA

U.S. Justified, but 'Self-Defeating'

Melbourne THE AGE in English 26 Mar 86 p 13

[Editorial: "Taking a Stand Against Gaddafi"]

[Text]

NEARLY everyone agrees with President Reagan's assessment of Colonel Gaddafi as a global delinquent, even if some do not admit it. The Americans have failed to produce many "smoking guns" in support of their claim that the Libyan leader is a leading sponsor of terrorism, but the circumstantial evidence is overwhelming. When the US Sixth Fleet is at the far end of the Mediterranean, Gaddafi is fond of boasting about his self-appointed role as an international revolutionary hero. The fact that so many people, even his Arab neighbors, think that he is a menace does not make the task of doing something about his behavior any easier.

The United States is absolutely within its rights to send a large naval force into the Gulf of Sidra to re-establish the fact that these are international waters, not Libyan ones as Gaddafi insists. The Americans can hardly be blamed for retaliating against Libyan military targets if Gaddafi orders an attack on the United States Navy, which is what appears to have happened. Sending the Sixth Fleet into the disputed area is a clumsy way of asserting international law, but it happens to be the only practicable means available — although Mr Reagan's credentials to do so would be sounder if he had shown greater enthusiasm for the Law of the Sea convention, which is designed to resolve disputes of this nature.

It is clear, however, that there is much more to Mr Reagan's strategy than a desire to police territorial claims. He wants to punish Colonel Gaddafi for sponsoring terrorism and subversion. He wants to intimidate him into curbing these activities in future. He hopes that, in the process, Gaddafi will be embarrassed in front of his compatriots and that opposition to his rule will grow. Whether Gaddafi will be so obliging as to learn the lesson he badly needs is an open question. The record suggests that he thrives on notoriety. That is why it will be interesting to see who eventually emerges from the Gulf of Sidra in better shape: Mr Reagan or the fanatic he calls "the most dangerous man in the world"?

The trouble with being a superpower is that people quickly object when the United States acts as one. Mr Reagan is assured of ritual condemnation from the Soviet bloc, much of the Third World and certainly the Arab community. Washington's European allies, who lacked the courage to join the United States in imposing economic sanctions against Libya after the Rome and Vienna airport massacres and who are highly protective of their trade with the Arab world, will clear their throats in alarm and in some way make it clear that they do not specifically approve. Humbug and hypocrisy, Mr Reagan will cry, and with justification. But it may be the United States, not Libya, which finds itself isolated. The American President's humiliating experience with Lebanon surely warned him that sabre-rattling and the occasional skirmish can be self-defeating.

Libyans may indeed be disgruntled with their lot, especially now that their standard of living is falling as fast as the oil price. Gaddafi's handling of the Sidra issue could increase discontent and hasten his eventual departure. But, in the short run at least, it is just as likely to have the opposite effect. There is nothing like an international crisis to divert a public's attention from domestic difficulties. Gaddafi has already threatened to attack American bases throughout Western Europe if Mr Reagan takes action against him. It would be prudent for the West to start expecting retaliation as soon as the Sixth Fleet is over the horizon. The American attempt to discipline Libya is understandable. It is also morally and legally justified. But whose cause will it serve?

U.S. Stand Deserves Support

Sydney THE AUSTRALIAN in English 26 Mar 86 p 10

[Editorial: "The Real Battle is Against Terrorism"]

[Text] AT last it seems that the inevitable has come to pass. The United States and Libya are facing each other in a conflict that has loomed for the past five years.

The manner in which the confrontation has been brought to a head will no doubt be subject to prolonged and bitter debate. Future arguments among international lawyers may determine the merits of Libya's claim to sovereignty over the Gulf of Sidra and Washington's reaction to that claim. The real issue underlying the outbreak of fighting is clear, however.

What the world is fearfully watching is a battle between the most powerful democracy and the regime that more than any other has identified itself with international terrorism, has sponsored international terrorism and has practised international terrorism.

It is probable that most of the world's people, sickened and frightened by the violence that has ravaged every continent apart from Australia for the past half-century, will wish that the US administration had not decided to challenge the Libyan leader, Colonel Gaddafi, to translate his threats into deeds and to resist his use of terrorism to resolve an argument in international law.

Nevertheless, it is impossible to avoid the conclusion that, if international terrorism were not confronted, those nations chosen by the terrorists as their targets could be so destabilised as to become ungovernable.

Like a giant, black cloud over humanity's chances of survival has hung the prospect that terrorist organisations could obtain nuclear weapons and use them with the same reckless abandon they have used hand-grenades, plastic bombs and shotguns. The Reagan administration has decided to act decisively in standing up to the most virulent source of these dangers.

There is no room for doubt as to Libya's involvement in and use of terrorism. Colonel Gaddafi has publicly boasted of it.

The Libyan Government has trained, armed and financed a motley collection of murderers ranging from German neo-Nazis to the Irish Republican Army, from the Abu Nidal Palestinian group to the Italian Red Brigades.

Dissidents

He has never troubled to deny that his agents kill dissident Libyans living abroad. No apology was ever offered for the murder of a British policewoman in London.

The Libyan connection with the hijacking of the Achille Lauro liner was evident for all to see. The Libyan involvement in the massacres at the Rome and Vienna airports is beyond all argument.

Since Colonel Gaddafi established his rule over Libya in 1969, his small fiefdom – it has fewer than four million inhabitants – has put itself outside the boundaries of the civilised world. The Libyan regime has set itself on a course of violent irrationality that has deservedly led most nations – including many, if not all, of the Arab countries – to regard it as an enemy of international peace and an obstacle to all efforts to reduce international tensions.

However, despite Libya's relative isolation and its lack of resources by comparison with those of the US and its allies, President Reagan has taken a grave risk in facing up to the Libyan leader so uncompromisingly.

The Libyan Government's call for retaliation against Americans throughout the world must be taken seriously. Libya has the weapons and a large enough group of fanatics in its service to inflict, at least in the short run, terrible damage to life and property.

The rocket attack on the US Embassy in Tokyo, even if it is not directly connected with events in the Gulf of Sidra, is probably only the first in a series of similar attacks on US installations and US citizens.

The White House spokesman, Mr Larry Speakes, has said he "can't characterise as a war" the fighting that has taken place between the armed forces of the US and Libya, but it is only too apparent that a full-scale state of war is rapidly developing, if it does not exist already.

Aggression

The fighting has not come about because of US aggression but because of the Libyan Government's attempt to apply terrorist methods to the settlement of a dispute about territorial waters.

It is beyond argument that the first shots were fired by Libya when the "line of death" that its Government had unilaterally proclaimed was crossed by US forces. The US warships and planes responded in the only manner open to them in the circumstances that had arisen.

The Libyan claim to sovereignty over the waters bounded by the Gulf of Sidra is rejected by the overwhelming weight of international legal opinion. The US view that Colonel Gaddafi had made an exaggerated claim to sovereignty over the Gulf would be supported by the great majority of maritime nations.

There can be no possible justification for the Libyan use of force against the US craft that entered a stretch of water commonly accepted as being international.

None the less, the US could well find that its encounter with Colonel Gaddafi will be met with widespread opposition. It is possible that many Third World and non-aligned governments, particularly those of Arab and other Muslim countries, will react in Libya's favour.

It must be hoped that the US administration has taken account of the sensibilities of such North African nations as Egypt, Tunisia and Algeria. The opportunities for Islamic fundamentalists and the Soviet Union to take advantage of a situation in which Libya could be made to appear as a David resisting the American Goliath are only too obvious. However, if Libya does respond, as it has threatened, with a new wave of terrorism, it will forfeit much of the sympathy it might otherwise have been given.

This is a time when the duty of the US's fellow democracies coincides with their self-interest. None of them is secure while terrorism is allowed to flourish. The US has taken a stand and taken a risk on behalf of all of them. It needs, and deserves, their support.

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CSO: 4200/912

AUSTRALIA

ARTICLE ON LIBERATION MOVEMENT OFFICES IN CANBERRA

Melbourne THE AGE in English 22 Mar 86 Sec 2 p 1

[Article by David Elias: "Guerrilla Envoys"]

[Text] TO FIND THE PLO in Melbourne you simply look up its information office in the phone book. SWAPO, the South-West African People's Organisation, fighting a particularly bloody war against South Africa, has an office in an old and shabby building opposite Flinders Street station.

The IRA, the Mujahadeen rebels of Afghanistan and the FLNKS, the Kanak independence movement of New Caledonia, are not quite so easy to locate, but they all have their men in Melbourne, all taking full advantage of Australia's right to freedom of speech to operate in the open.

There are people like Hadino Hishongwa, a mountain of a man who says that if the South African Government should ever capture him he would expect to be hanged by his black, curly beard. From behind the desk of the SWAPO office in Flinders Street it seems a remote possibility but every year Handino returns to Africa and, armed with a submachine gun, he steals across the border into his native Namibia to spend three months as a front-line guerilla in what he calls occupied territory.

He is, however, not the only man in Melbourne who is on the wanted list of a country riddled with internal strife. The Mujahadeen's Abdul Khaliq Fazal escaped from a prison cell in Kabul in 1980 and fled Afghanistan by camel and motorcycle. Charges of inciting the Afghan people to stand against the Soviet invaders and encouraging them to flee the country are still outstanding and he could well expect a few more to be added if he were recaptured.

These and the other representatives of political movements overseas appear as mild-mannered men who never fail to condemn the use of violence, but in many senses they are our link to a different, more violent world where political issues are fought with machineguns and grenades, sometimes deep in what is described as occupied territory and sometimes in aeroplanes over the Mediterranean or the airports of Europe.

Handino, like the representatives of The African National Congress and the Pan African Congress, are here at the invitation of the Australian Government and enjoy a quasi-diplomatic status that gives them no official recognition but gives them the right to make representations to the Government.

Abdul Fazal belongs to the other group of men who have no officially recognised status as representatives of their organisations but as Australian citizens they are free to sympathise with, and act for, whomever they choose.

The presence and the activities of these men worry politicians from both major parties but demands to shut down their operations and send the visitors home are unlikely to succeed. A spokesman for the Department of Foreign Affairs said that they were welcome as long as they did not advocate violence in

Australia.

Meanwhile, those who held Australian citizenship could do and say whatever they liked so long as they did not break Australian laws.

Here, and in dozens of other cities far away from their real battlefields, the representatives fight a propaganda war. They are trying to turn public sympathy to their side with the eventual goal of forcing their opponents to back down under the pressure of world opinion.

In their worlds the terminology depends on from which side of a guerilla war it is viewed. In some eyes they are terrorists, but none will accept such a term. Even "rebel" is too strong. They see themselves as freedom-fighters, liberationists and victims of oppression.

With this change of terminology comes a change of emphasis through which they justify the use of arms and the violent deaths of other human beings.

While their families and friends bear arms they lobby governments and politicians, publish newsletters and pamphlets, seek media coverage and launch themselves on a never-ending round of speaking engagements, often sparsely attended.

Hadino Hishongwa makes up to five speeches a day and in the process takes up collections which keep the SWAPO office open. It is a constant bone of contention that the Australian Government can invite SWAPO to open an office but refuses all requests to contribute towards its upkeep.

Barry Hughes spends most of his spare time raising money from the Irish community to support the families of IRA men held by the British in Ulster prisons. He most vigorously denies that these funds buy arms for the IRA but as a member of Sinn Fein, the political wing of the IRA, he gives full support to what he calls the armed struggle.

In his anonymous suburban home where he has raised two children and instilled in them the passions of the Irish, he talked freely about his support for the republican cause, the armed struggle and what he saw as Britain's long repression of the Irish people. It was a conversation which he said could not have taken place in Ireland because the media was banned from talking to republicans.

This was the reason why each of them was willing to talk about their presence as agents of, or sympathisers with, organisations that can send a chill down the spine of the average person. In their homelands they never receive a good press and away from home they say the media misinforms the public because of the bias of material emanating from their opponents.

In vastly different accents they painted such similar pictures of aggression and oppression and of their own resistance that sometimes they used almost the same words.

"The system of South Africa is created through violence and maintained through violence. One can only stop it through that very same method." — Hadino Hishongwa explaining SWAPO's war of independence in Namibia.

"The false state of Ulster was created by force and held by force right up to the present day." — Barry Hughes, on what he says are the centuries of injustice towards the Irish people and the division of Ireland to justify the IRA's actions.

"The whole state of Israel was started by violence and they continue this violence today." — the PLO's Ali Kazak describing the Israelis as invaders of Palestine thereby justifying a guerilla war inside "occupied Palestine".

Hadino Hishongwa is in his mid-forties, a father of four, who dresses symbolically in black, wearing his shirt safari-style, open at the neck and outside his immaculately pressed black trousers.

He had not long returned from his annual "holiday" in Namibia, which he explained every member of SWAPO had to do so that none of them could be regarded as armchair guerillas. It was for him a sad sight to see a country he described as similar to Australia laid bare by the guerilla war. Farmlands had been abandoned and roads destroyed to stop the South Africans exploiting Namibia's mineral wealth.

At home in the mineral rich town of Tsumeb, Namibia, he was a teacher until he was jailed and banned by the South African authorities for refusing to impart the messages of apartheid, racial segregation and Bantu development to his students.

The banning order meant that he could no longer earn a living. This led to his escape through Botswana and Zambia to Tanzania and a period of further education in economics and journalism which took him to East Germany.

He had been a member of SWAPO since its inception in 1960 and is now one of the organisation's most experienced overseas representatives, having run their offices in Dar Es Salaam, Dakar and Stockholm.

In neutral Sweden he had the status of an ambassador but there are no such trappings in Flinders Street. The Government invited him here to counter the propaganda of the South African embassy but he has none of the financial means to offset the many newsletters, magazines and films put out with funds from Pretoria.

THE NIGHT BEFORE we interviewed Abdul Fazal he had been told by phone from Pakistan that his cousin had been killed during a Mujahadeen action against a Soviet convoy in central Afghanistan. The cousin was the 21st member of his family to die fighting Russian troops since they invaded in December 1979.

In the same action other relatives had been captured, leaving wives and children with no means of support.

"I didn't sleep all night and this morning I went to the bank and drew out what money I could spare to buy them food for the next few months," he said, producing a bank cheque made out in American dollars.

He says his job here is to spread a message on behalf of his people but he admits that sometimes, like now, he gets frustrated by being so far away from the action and would readily go back and carry a gun into his occupied homeland.

"When I think more rationally I realise there are plenty of people who are fighting there and only a few of us who can fight over here. From here at least I can achieve something. I can assist those who need help."

Since his escape from a Kabul prison cell in January 1980 and a hair-raising ride to freedom with his wife and three children, Abdul Khaliq Fazal has formed and run the Afghanistan-Australia Association of Victoria and the Australian Relief Committee for Afghanistan and has helped raise several thousand dollars for refugee hospitals.

He has edited the association's newsletter, written numerous newspaper and magazine articles, given dozens of radio, television and newspaper interviews and beaten his head against government brick walls over Australia's failure to accept more than 200 people from among the five million refugees in camps in Pakistan and Iran.

Despite his feelings of helplessness the small Afghanistan community of no more than 1000 are welded into a strong organisation proudly associated with the freedom fighters. "Afghanistan people are very nationalistic. They love their country, their people and their culture. They do not like to give up to foreign domination."

BARRY HUGHES, a stocky, quietly spoken man of 41, has never carried a gun, so he can, and often does, return to Belfast where he was brought up in the notorious Falls Road area. However, he takes the precaution of travelling via Europe and Dublin and crossing the border by road. He says that if he takes the more direct route through London he could expect to be detained for seven days for questioning because "there's an act of Parliament against Irishmen".

If he had remained in the Falls Road area he might now be with his brother serving a 19-year jail sentence for possessing arms.

He was probably saved from that by his wanderlust and timing. In 1965, when at 19 he set off for Australia, Northern Ireland's present troubles had yet to erupt.

Married and settled down with two children on the other side of the world there was no opportunity to become an IRA gunman. He is such a mild and outwardly even-tempered man it seems incongruous that he could lend his name to radical action or violence. But below the surface the fury of centuries of Irish unrest is fermenting and he wholeheartedly supports what he calls the IRA's "armed struggle".

He rationalises it as meeting the greater violence of the Ulster loyalists with armed resistance, with the means justifying the end. "It is obvious the armed struggle has done some good.

"Now, after the armed struggle and the input of so many Irish republicans we are in the position through the political wing to talk to Britain and negotiate a peaceful settlement. That will only be done when Britain removes its troops from Ireland."

He said it angered him when members of the IRA were called terrorists but he could handle accusations of extremism against himself. "You get some of that stuff from people but never Australians, usually former Britons, people from England who see only their side of the problem."

Asked whether he regretted being so far away and not part of the action he said: "There are mixed feelings in this regard. I am quite happy being here doing what I am doing, assisting in the struggle in a small way."

If there are any regrets it is his inability to muster more support from Australian politicians and the Government. He said it was partly the fault of the Irish who seemed to merge without trace into the local landscape and partly the input of Britain's institutions and systems into the Australian way of life.

Barry Hughes agrees that he, too, has

assimilated but after 20 years he remains a British citizen despite his hatred of what the British have done to Ireland. To become an Australian he would have to swear an oath of allegiance to the Queen, and that he finds too distasteful to contemplate.

THE PLO'S ALI KAZAK describes himself as a son of the Palestine tragedy. Almost from birth he has been stateless and he is fired with the PLO's ambition to reclaim land occupied by Israel.

When he was six months old the State of Israel was proclaimed and his mother fled from their home in Haifa, leaving his father to sit it out alone in the name of a seemingly hopeless cause. Ali Kazak sees nothing strange in a man who gives up his wife and child for a principle and points out that thousands of other Palestinians have since sacrificed their lives for their country.

Instead of picking up a gun like most young men of his age he took the other path and joined the political wing of Al Fatah. After completing the first stage of his political education he became an assisted migrant to Australia.

He claimed that he came to further his studies but he did not enrol as a student. He said this was because he could not get a scholarship immediately and he had to earn a living.

He worked for an insurance company, although many former students of the 1970s remember him as a familiar figure around student haunts. Ali Kazak was already at work for Al Fatah, spreading the Palestinian message in a community that was at that time fiercely pro-Israeli, not caring how unpopular he became in the process.

A gradual shift in world opinion towards the belief that the Arabs might have a case is mainly because of men like Ali Kazak. Today the PLO has 90 offices and embassies around the world to ensure that Yasser Arafat and his followers continue to make ground in the propaganda war.

A 28-year-old bachelor, Ali Kazak is an intense, lean, balding man, who finds himself in the well-financed Palestine Information Office in Carlton with a secretary, a male assistant, a small film library and a budget to put out newsletters and a newspaper, 'Free Palestine'.

He has a telex machine which allows him to keep in daily touch with PLO headquarters in Libya and he travels frequently to the Middle East for meetings and briefings.

Of his job here, he said: "It is important for Australia to recognise the PLO and to have official contact and relations with the PLO, as the majority of the world has chosen. There are lots of things of benefit to both the Palestinians and Australians, there are lots of things to cooperate over."

Ali Kazak said the PLO was against terrorism and that the organisation had outlawed Abu Nidal. However, he distinguished the armed fight against Israel in "occupied territory" from terrorism, and often accused the Israelis of carrying out terror attacks on the Palestinians.

Asked what he would do should the Palestinians win back their land, he said: "I would go home because this is my objective. My mission would be accomplished. But later on only God knows what. I might be tempted to live in Australia but at least I would know that I could go back like any other citizen from any other country."

ON MARE, a small and typically beautiful south sea island 120 kilometres north east of Noumea, Jean Peu was the French teacher.

One day he might return to his home and his old job or he might become a full-time politician once the Kanak people of New Caledonia achieve independence. Whichever, he says, depends on the wishes of the Kanak people.

For the time being Mr Peu, who is 26 and unmarried, is learning the ropes as the Melbourne-based representative of FLNKS, the Kanak Socialist National Liberation Front, and finding it an altogether frustrating experience.

He has managed to earn himself an official rebuke from the Foreign Minister, Mr Hayden, and a stern lecture from officials in the Department of Foreign Affairs over a statement he made about the planned visit to a Libyan-sponsored conference of liberation movements in Tripoli by an extremist group within FLNKS.

Mr Peu, a member of this group, said the visit was intended to "push the Australian Government to take action" in favor of the Kanak struggle. He further described it as "a diplomatic game — blackmail of the Australian Government". He is now under notice that his office could be closed if he should advocate a return to violence in New Caledonia.

He later explained that he made his statement out of sheer frustration. When he first arrived here early last year, he approached the Australian Government to press for observer status for FLNKS at the South Pacific Forum and he got nowhere.

He felt the Government did not have the Kanak cause at heart. Then, when it was being shown that New Caledonia's French settlers were importing arms from Australia — presumably to use against the Kanaks —Mr Hayden called in the Libyan People's bureau chief and told the Libyans not to export terrorism into the region by encouraging the Kanaks. At a press conference outside Parliament House, Canberra, Mr Peu called the Government hypocritical.

For Mr Peu, who is sponsored by the ACTU, which pays him a wage, it was the last of a long line of disappointments. He has discovered that the Hawke-led Labor Government which allowed him into the country to set up office is less receptive and not as supportive as he had anticipated.

He has interpreted the Government's even-handed and pragmatic approach to foreign affairs as a lack of interest in the cause of Kanak independence and now believes Australia has allowed him to be here as a form of insurance for continued commercial ties once the Kanaks have gained independence.

He is by no means the only representative who has become frustrated by the Australian Government's attempts to be even-handed on complicated overseas disputes with wide-reaching repercussions. Politicians are difficult to pin down to a commitment of support that could be misinterpreted in peaceful tree-lined electorates.

Kevin Hughes, a full-time organiser with the Painters and Decorators Union understood this because he is a member of the ALP and knows Australian politics as well as he does Irish politics.

His party membership also made him disinclined to criticise an Australian Government he supports, choosing instead to blame the whole thing on lack of sympathetic media coverage, Britain's immense influence on the Australian

Some of Ali Kazak's statements have been interpreted as a threat of terrorism, although he denies this. "It is not our objective to carry our fight to Europe or Australia or America. If it was our objective we would have done it long ago. We are quite capable of doing lots of damage," he said.

Another scathing criticism of the Government was voiced by Hadino Hishongwa over its lack of financial support to SWAPO, especially as Australia was a member of the United Nations Council on Namibia and had special responsibilities for the area.

He explained that SWAPO was taking care of more than 100,000 Namibian refugees, mainly in Zambia and Angola. They were running hospitals and schools which needed supplies. They were trying to be self-sufficient by running farms, but they were not green islands in drought-stricken countries.

He was critical that Australia had not given SWAPO diplomatic recognition or paid for the SWAPO office as other European and Eastern Bloc countries had.

He felt the Government had not done enough to stop the rebel cricket tour of South Africa and revealed that SWAPO would support moves to have Australia boycotted at the Commonwealth and Olympic games. Australia, he said, would need to do better if it was to receive an honored place in the history of Namibia once it achieved independence.

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CSO: 4200/912

YEN STRENGTH PROMPTS LOSSES IN LOCAL CAR INDUSTRY

Melbourne THE AGE in English 22 Mar 86 p 21

[Article by Simon Mann]

[Text] Australian car makers and importers are taking a battering from the rising yen.

The yen's appreciation is putting the squeeze on the industry and causing most local manufacturers and importers to accept losses in a bid to retain their market shares.

With the dizzy 1985 sales records under its belt the industry is on the verge of suffering a major hangover.

On top of the currency squeeze, which has seen the yen appreciate sharply against the Australian dollar in the past year, is continuing uncertainty about the Federal Government's fringe benefits tax plan which car makers claim is threatening fleet sales.

Also, the rural crisis has cut dramatically vehicle sales in the bush, while the last minute rush to buy cars prior to 1 January's unleaded fuel deadline, is believed to have exaggerated slightly the early fall in 1986 sales.

Both manufacturers and importers have been straining to contain prices as costs of fully imported vehicles and imported components have leaped in recent months.

Mitsubishi is lifting prices on its imported vehicles before Easter, the third hike this year. Normally, it would expect to pass on as many rises over a whole year.

Mitsubishi imports its light commercial range and the Nimbus, Cordia and Starion cars.

Mr Garry Moore, of Mitsubishi's Victorian division, said yesterday: "We've absorbed as much as we can....

"We have not anywhere near caught up on the exchange rate loss. Instead, we have held off on price rises where we could and in doing so we have forfeited profit."

General Motors Holden's has been suffering particularly on its Commodores carrying six cylinder engines and transmissions built by Nissan in Japan.

The cost blow-out of the joint project has been enormous. It is believed that when the deal was originally struck the dollar was trading around 210 yen. Yesterday's exchange rate was closer to 124, a 40 per cent devaluation.

A GMH spokesman would not say whether the Commodore range was selling at loss prices. He said pressures to lift retail prices further had been "considerable, but so far we have managed to maintain a very competitive price for Commodore".

"There's no question that when the original planning was taking place (the deal) was looking far more attractive," he said.

GMH was expected to import between 40,000 and 50,000 engines and transmissions this year for its 3000cc Commodore model.

While the current price dilemma is dimming GMH hopes for a profitable 1986, the dollar's decline would appear to have forced an unhappy end to the troubled car-maker's 1985 trading results despite operating profitably for part of the year.

Ford, which reports its 1985 results on Monday, has amended downward its market predictions for 1986 to 610,000 vehicles after last year's record 685,000.

Ford would appear best placed to withstand the dollar decline because of its very strong local content, presently well over the 90 per cent mark for its manufacturing and assembly operations. Like its competitors however, Ford is suffering on its range of imported commercial vehicles.

Nissan's executive director of sales and marketing, Mr Steve Markwell, said the strength of the yen was causing considerable worry because one third of Nissan sales were of commercial vehicles, also fully imported. Nissan imports car components including the Pulsar engine and gearbox.

"It has certainly pushed our prices up and like all of our competitors we have been unable to recoup those rises," he said.

"The market so far this year has been very soft. Although we don't yet have figures for February, we know it's going to be a 45,000 car month. In normal times we could expect anything above 50,000 new vehicle registrations in February.

Mr Markwell said the other side of the equation was increasing exports but "you cannot just turn that up quickly overnight".

While the strength of the yen continues to squeeze margins and reduce the attractiveness of imported components, local manufacturers are in a sense 'locked in' to the higher prices by contracts and the inability to tap alternative component lines in the short term.

Mr Peter Harvey of components maker, Borg-Warner, said the lead time between the designing, developing and prototyping of components and their manufacture was such that it did not allow car makers to realign themselves in the short term.

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CSO: 4200/912

BHP SET FOR RECORD PROFITS

Melbourne THE AGE in English 22 Mar 86 p 21

[Article by Gideon Haigh: "BHP Set for Record Year after $813m in 9 Months"]

[Text] BHP's annual profit is set to exceed $1000 million for the first time after the company earned $813 million in the first nine months of the 1986 financial year.

Third-quarter results released yesterday show that the company is on line with its forecast annual profit of $1025 million, although last month's reduction in the import parity price for Bass Strait crude has yet to bite into earnings. BHP must now earn around $200 million in the final quarter to achieve its target.

BHP made $238.6 million in the three months to the end of February, a handsome 33.7 per cent ahead of the previous corresponding period. Turnover improved 28 per cent to $2095.9 million.

The company continued to benefit from the weakness of the Australian dollar, and said profits reflected strong demand for most group products.

Higher exports pushed BHP Petroleum profit to $140.3 million in the quarter, 20 per cent ahead of the previous corresponding period. It has earned $461.9 million in the nine months of 1985-6 and, despite the sagging oil market, is certain to exceed its 1984-5 record annual profit of $485 million and is likely to reach its budgetted $525 million.

Sales were $412.6 million, a 30 per cent rise. Aggregate sales for 1985-6 are also showing 30 per cent growth at $1325.6 million.

BHP's monthly production report for February, also issued yesterday, indicated a levelling out of Bass Strait production — which had previously been at record levels — and the company's other oil interests. However, 10.73 million kilolitres of crude have been produced in the current year, an 11.6 per cent improvement.

BHP's 50 per cent share in Bass Strait natural gas production is also running ahead of the previous year.

Utah International improved earnings 32 per cent to $47.3 million in the quarter, taking its earnings in the current year to $148.4 million, a 52 per cent increase. It requires only a steady final quarter to achieve its predicted $176 million annual profit.

Directors attributed the rise to higher coal shipments by Central Queensland Coal Associates and improved margins. Sales were $473.8 million (up 72 per cent from $274.9 million), helping it overtake the petroleum division as the second largest contributor to turnover after the steel division.

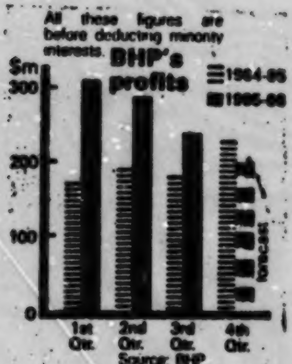
Utah has earned $1372.2 million in the current year, 58 per cent ahead of its nine-month figure of $868.5 million last year.

The steel division continued to improve as sales climbed, with overseas sales now representing 24 per cent of total dispatches.

It made $48.8 million, 52 per cent ahead of the same period last year, and its earnings for 1985-6 now total $191.1 million, 57 per cent up. It will be aiming for a slightly better final quarter to meet its budgetted $262 million profit.

Sales of $823.9 million were up 28 per cent giving it a turnover of $2745.6 million to date in 1985-86.

BHP's minerals division was the big improver, and has now earned $103.1 million in nine months.



All these figures are before deducting minority interests.

BHP's profits

Source: BHP

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CSO: 4200/912

AIR FORCE PERSONNEL PREPARE FOR F-16'S

BK311131 Jakarta SINAR HARAPAN in Indonesian 20 Mar 86 pp 1, 8

[Article by SINAR HARAPAN correspondent Bernadus Sendouw]

[Text] Jakarta--Is the Indonesian Air Force [TNI-AU] ready to use the latest armament systems and catch up with technological progress? The answer is that TNI-AU is definitely ready to greet the arrival of the fourth generation of air armament technology.

TNI-AU Chief of Staff Air Marshal Sukardi once said that TNI-AU would be equipped with advanced air armament systems by 1989. For this reason, TNI-AU has been preparing itself to use such systems by training qualified pilots. While TNI-AU itself declines to specify the type of fighter aircraft it plans to put into service, Armed Forces Commander General L.B. Murdani confirmed some time ago that Indonesia will buy the F-16 "Fighting Falcon" and that the first batch of such aircraft will be delivered at the beginning of 1988.

Until recently, the United States had limited the sale of F-16's to certain countries because such aircraft were considered to be one of its main weapons which could not be sold to just any country. Besides the United States, the F-16's are now being used by NATO countries (Belgium, the Netherlands, Denmark, Norway, and Turkey) and other countries including Israel, Egypt, Pakistan, Venezuela, and South Korea.

Air Commodore Zainuddin Sikado, commander of the Iswahyudi Air Base, disclosed that the personnel to fly the F-16's, even the ground technicians, are now being prepared by the TNI-AU. The TNI-AU indeed does not want to be left behind in the race to acquire modern technology. When the time comes, its pilots and ground crews will be fully prepared to "greet the arrival of the fourth generation technology, including the F-16's." Sikado also said that several senior F-5E pilots based at the Iswahyudi Air Base in Madiun, the biggest air base in Indonesia, will be trained to fly the F-16's. He stressed that these senior pilots are expected not only to learn to fly the F-16's, but also to absorb as much skill and knowledge as possible during their training in the United States. The current technology being used for the TNI-AU aircraft is suited for the coming system when the F-16's are put into commission.

Meanwhile, Colonel Kadar Puraatmaja, deputy commander of the Iswahyudi Air Base, disclosed that the maintenance of fourth generation aircraft, such as the F-16's, will be easier because of the so-called module system in which any damaged parts can simply be taken out and reaplced with new ones rather than being repaired.

The training program at the Iswahyudi Air Base is not only aimed at producing pilots, but also at teaching them various aerial combat tactics. There are currently three squadrons under the command of the air base, namely Squadron 11, Squadron 14, and Squadron 15. The program is now training graduates of the Air Force Academy [AAU] and the Short-Term Government Fellowship Program [IDP]. The quality and skill of the two groups are not much different, even though the IDP trainees are only high school graduates. A 22-year-old IDP graduate said that both groups have special pride as jet fighter pilots who will be assigned to safeguard the sovereignty of the country's air space. Everyone in the country is also proud of these young pilots especially when they perform acrobatic stunts demonstrating their skill as they did during the armed forces day celebration over Jaiarta skies.

While it is true that there is great interest among Indonesian youths to become pilots, producing a qualified pilot is not easy because of tight requirements imposed on prospective candidates. Even thohgh preliminary tests can show a candidate's talent and basic aptitude, his health is the most decisive factor.

For this reason, the TNI-AU is making serious efforts to produce new pilots from both the AAU and IDP streams. The IDP system has proved to be quite rewarding since the quality of the IDP pilots is not inferior to that of their AAU counterparts. Communications Minister Rusmin Nuryadin, TNI-AU Chief of Staff Sukardi, and former TNI-AU Chief of Staff Ashadi Tjahyadi are among those produced by IDP training in the 1950's. Even though some of them no longer serve the TNI-AU, their names are still remembered in Air Force history.

Why does the TNI-AU prefer to use the term "to greet the arrival of modern technology?" According to AAU Governor Vice Air Marshal Sumaryono, the term is to avoid a situation where we are left behind in the race for technological progress. The term "to catch up with modern technology" would imply that we have already been left behind. For similar reasons, Air Force cadets at the AAU are taught basic flying techniques by using gliders.

Producing a qualified pilot is not the only important factor in building a future mighty air force. No less important is the education of highly skilled aircraft technicians. Therefore, the TNI-AU launched the so-called Ganesha Project 3 years ago. Named after the Hindu god of knowledge, this project is aimed at meeting the need for these technicians.

With the TNI-AU pilots able, in a relatively short period of time, to fly any modern aircraft, including the F-16, it is apparent that TNI-AU must also ready maintenance teams to take care of such aircraft.

Why has the TNI-AU selected the F-16 as its future aircraft? The reason is that the F-16-100 "Fighting Falcon" is more capable than the F-16-79's, the offer of a squadron of which was rejected by Indonesia in 1982-83. Three other countries, namely Greece, Thailand, and Singapore, have already ordered a total of 86 F-16's. Even though the producer of the F-16, General Dynamics, has produced some 1,480 F-16's thus far, until recently the U.S. Government was reluctant to sell them to any ASEAN countries for fear that the move would provoke the Soviet Union into deploying equally sophisticated aircraft in Vetinam. Thailand was also offered the F-16-79, but insisted on obtaining the more advanced F-16's. Singapore had agreed to buy the F-16-79 but changed its mind when the United States approved the sale of F-16-100's to Thailand in 1985. The U.S. Government has now agreed to sell the F-16-100's to Third World countries because it has a new version, the F-16C.

The Ganesha project is expected to accelerate the education of highly qualified aircraft technicians with modern technical knowhow similar to that acquired by the pilots.

When the time comes for the TNI-AU to operate the desired modern aircraft, including the F-16-100's, the technicians will be ready to maintain them. This emphasizes that the policy of simultaneously training skilled technicians is a correct one.

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CSO: 4213/130

TURKISH DEPUTY PRIME MINISTER ERDEM ARRIVES

BK310959 Jakarta ANTARA in English 0937 GMT 31 Mar 86

[Text] Jakarta, 31 March (ANTARA) -- Deputy Prime Minister of Turkey Ismet Kaya Erdem and party arrived at Sukarno-Hatta International Airport Sunday evening for a five day visit to Indonesia to explore the possibilities of boosting economic relations between the two countries.

The Turkish deputy premier was accompanied by his wife and six members fulfilling the invitation from the Indonesian Government. The aim of his visit was also to strengthen the friendly relations between Turkey and Indonesia as well as exploring the possibility of boosting economic and trade relations between the two countries.

According to the itinerary the Turkish deputy premier paid a courtesy call on President Suharto on Monday. He was also to hold talks with several Indonesian ministers dealing with economy, finance, industry and other fields of development.

During his stay he was also to visit Bandung to observe the national aircraft industry before processing to Borobudur and Bali.

In the meantime Mrs Erdem was scheduled to visit the Bogor botanical garden, the beautiful Indonesia in miniature part, Ancol dreamland and a batik handicraft center in Jakarta.

According to official data Indonesian exports to Turkey in 1984 totalled 8.2 million U.S. dollars, while Indonesian imports from Turkey amounted to 1.1 million U.S. dollars.

In 1985 Indonesian export to Turkey reached 5 million dollars while imports totalled 2.6 million dollars.

The export commodities consisted of rubber,palm oil, plywood and spices.

From Turkey, Indonesia imported tobacco, fertilizer and telecommunication equipment.

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CSO: 4200/914

BRIEFS

JAKARTA TRANSMIGRATION--Jakarta, 26 March (ANTARA) -- The special capital city region of Jakarta Raya in fiscal 1985-86 (April to March) sent to transmigration centers in regions outside Java only as many as 108 transmigrant families, far less than the set target of 1,500 families, the Jakarta Raya administration reported. [Excerpt] [Jakarta ANTARA in English 0733 GMT 24 Mar 86 BK]

COASTAL RADIO EXPANSION--Jakarta, 26 March (ANTARA)--The SSB (coastal radio system) which has been used at several Indonesian sea ports like in Banjarmasin, Sorong, Balikpapan, Samarinda, Palembang, Sabang, Surabaya, Jakarta, Ujungpandang and Medan will be further expanded through a cooperation between Indonesia and Japan. Director General of Sea Communications J. E. Habibie following the signing of a second stage consultation contract on shipping telecommunications system here Tuesday, said that the SSB system which has been used has to be expanded throughout the country. Yoshima Sekiguchi, president of the Japanese consultant company, told ANTARA that his side for the first contract has carried out a study on eleven Indonesian seaports which were already equipped with SSB devices. Sekiguchi said that another study on eight sea-ports for the second stage is expected to be completed in the next July. The second stage contract is worth 188,900 million yens plus RP 523,300 million of fund from the Japanese Government through the Japanese overseas economy corporation [as received] fund (OECF) program. [Excerpts] [Jakarta ANTARA in English 0216 GMT 26 Mar 86 BK]

AUSTRALIAN MILITARY TECHNOLOGY--Indonesia is ready to cooperate with Australia in the development of military technology despite its current emphasis on nonmilitary technology. Habibie, state minister for research and technology and chairman of the Agency for the Development and Application of Technology, expressed Indonesian readiness for this during talks with Australian Defense Minister Kim Beazley in Jakarta this afternoon. He said that the Defense and Security Department still has to purchase military equipment on a limited scale due to limited funds. Thus, it would not be efficient for Indonesia to develop an industry to produce fighter planes, as the need for this type of aircraft is still limited. According to Habibie, Indonesia is developing various standard industries that produce aircraft, helicopters, and ships that can be used for military purposes as part of its efforts to obtain advanced technology from abroad. [Text] [Jakarta Domestic Service in Indonesian 1200 GMT 31 Mar 86 BK] /9738

FLIGHTS TO DARWIN BEGIN--A private airline, Merpati Nusantara Airlines, on 23 March 1986 began its first commercial to Darwin, Australia, from Kupang, East Nusatenggara, after it had launched its maiden flight to that city on 21 March. The international route between the two countries was resumed after a 7-year suspension. [Summary] [Jakarta Domestic Service in Indonesian 1500 GMT 23 Mar 86 BK] /9738

1985 EXPORTS TO JAPAN--An Indonesian Embassy official says in Tokyo that Indonesia's exports to Japan in 1985 reached U.S. $10.199 billion, representing a 9.3 percent decrease from 1984. [Summary] [Jakarta Domestic Service in Indonesian 0700 GMT 30 Mar 86 BK] /9738

CSO: 4213/130

EDITORIAL WARNS AQUINO ON DIFFICULTIES OF OFFICE

Quezon City WE FORUM in English 1-7 Apr 86 p 2

[Editorial: "Yellow for Warning"]

[Text] She will remain the biggest star in the hearts of the poor, the oppressed whom she had helped liberate from the tentacles of the deposed dictator.

But those who know the ins and outs of Philippine politics know that it's not an enviable job Mrs Corazon Cojuangco Aquino, our President, has inherited.

Even Ninoy, if he were alive and he happened to be victorious the way his widow has been, would groan under the terrible weight of the presidency.

So yellow has become the signal color for the triumphant President. Ironically, though, the color yellow, as she moves into the sixth week of her reign, could well signify its true meaning: A WARNING.

She had been allowed fumbles and minor slips in her first few days at the helm of the ship of state, but as she goes along, it has become more and more evident that Mrs Aquino must navigate in dangerous waters if she is to succeed in her task of rebuilding and healing a badly devastated nation.

Unfortunately, her task is often made doubly difficult by people around her who will never tire clawing for more power.

Yes, our President has shown guts and determination. But, at the rate problems and issues are mounting around her, she may have to wield a sharper eye and concede that yellow, indeed, signifies a warning.

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CSO: 4200/913

WEEKLY ON INSTITUTIONALIZING PEOPLE POWER IN SCHOOLS

Quezon City WE FORUM in English 1-7 Apr 86 p 6

[Article by Nora Gomolo]

[Text] Teachers and students are once again leading the way towards institutionalizing people power in the ever-explosive school system.

In various schools, teachers and students have sought the adoption of a reasonable mass promotion system and the ouster of erring school officials. These were done in the Philippine School for Business Administration, Technological Institute of the Philippines, Rizal Technological College, and Polytechnic University of the Philippines (PUP), among others.

Firmo Esguerra, an instructor in Cooperatives and Management in PUP, said that "It would be unfair for students to receive their grades without adopting a new mode of grading since the students lost one month due to the snap election." Hence, majority of the teachers in the PUP will adopt a "maximum consideration" stand in grading their students. This would make the result of the mid-term examination plus a bonus grade as the basis of the final grade. If the student exceeded the maximum allowable number of absences for the semester, he will be given a grade of "incomplete" and be forced to take an examination. A passing grade will only be given if the student had a satisfactory attendance of his classes, says Esguerra.

According to Ms. Teresa de Leon, chairman of the PUP chapter of the militant League of Filipino Students, the teachers and students will sustain their barricade to press for the reinstatement of Dr. Nemesio Prudente. Prudente was first arrested in 1972 upon declaration of martial law and was re-arrested in 1980 in connection with the Light-A-Fire Movement. He was known as an efficient, albeit radical school administrator.

Sources said that while there are no legal bars to the reinstatement of Prudente, military authorities are reportedly pressing education officials not to allow him to re-enter the school system, much less his traditional turf, PUP, then known as the Philippine College of Commerce. Prudente's case will be the basis of a dialog between Education Minister Lourdes Quisumbing who is now custodian of PUP, and the students and teachers when Dr. Quisumbing starts to hold office in the school on March 31.

Meanwhile, the students and teachers of the Rizal Technological College held a 16-day barricade March 5 – 24 to press for the ouster of Dr. Lydia Profeta. The barricade was lifted when Dr. Profeta resigned and her resignation letter accepted by President Aquino.

Because of the early resolution of this basic demand of the RTC teachers, students and employes, classes were extended for one week to enable students to catch up and final examinations were conducted to serve as basis for the students' grades. The teachers and students call this the "3.0 or better" scaled mass promotion system which include the scrapping of previous take-home examinations and term papers assigned to the college students at the height of the snap election, civil disobedience campaign and the Enrile-Ramos snap rebellion. The RTC personnel and the studentry spent their month-long suspension of classes outside the library, according to Florencio Puerto Jr., a teacher who was illegally terminated by Dr. Profeta, and whose case served as basis for the clamor to oust her.

Meanwhile, in the Occidental Mindoro National College in San Jose, Occidental Mindoro, the teachers, school personnel and students of OMNC, succeeded in making Bernabe Macaraig, a former policeman, tender his courtesy resignation to President Aquino. The school's constituency picketed the school March 13 to 22 to press for his resignation. The teachers have a long-standing suit against Macaraig for alleged possession of firearms, estafa, dishonesty, conduct unbecoming of an official, and harassments. The teachers are also implicating Macaraig in the killing of OMNC teacher-leader William Madayag.

What do the assertive teachers expect from the Aquino government? Many innovations in the country's educational system have been suggested even before the ascendancy of the Aquino government. The militant Alliance of Concerned Teachers (ACT), for its part, has committed to cooperate with the Aquino government on three major thrusts in the direction of "strengthening grassroots organizing in towns and in the rural areas, popularizing and institutionalizing people's (teachers') power and the protection and advancement of human rights of the masses.

The ACT, according to chairman Raul Segovia, is drafting policy proposals to the new government. The key component is the "empowerment of teachers." According to Prof. Segovia, who teaches at the Philippine Normal College: "This will check the technocrats' moral penchant for packaged solutions (to the problems of the educational system) usually paid for with huge foreign loans. This was usually done at the expense of what should go to increase teachers' pay. In the barest minimum, this 'empowerment of teachers' call for a creation of a mechanism from the smallest barrio school to the highest Education Ministry bureaucracy whereby teachers will have a say in the content, manner, and direction of what she is to teach, and in the process, assume full responsibility in the outcome of what she is teaching.

"The matter of re-orienting Philippine education so that it may further serve the basic needs of the deprived and the oppressed and develop their self-reliance is another item in the teachers' agenda. The reforms in education can be directed to empower the learners long deprived of quality education, and the teachers long denied the rights to create this kind of education."

As for the students, they have yet to draft their policy proposals. But they have sought ground with their quality-of-education-conscious teachers.

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CSO: 4200/913

COLUMNIST ON MARCOS LOYALISTS' REACTION TO INTERVIEW

HK140508 Manila THE MANILA EVENING POST in English 8 Mar 86 p 4

[From the "Passing Through" Column by Emilio H. Serrano: "The Historic Interview"]

[Text] See what a simple radio interview of Mr Marcos can do, Pare [Pal]? Suddenly the whole of Metro Manila is electrified by Marcos supporters who have started to talk openly against the power-grab at EDSA [Epifano de Los Santos Avenue]. And just as quickly, they started leaving their homes to converge at the Luneta, at the Quezon City circle and other places in the metropolis in a spontaneous show of support for the deposed president.

And once they get organized, they can also mount a people power that can shame the loud claim that this revolutionary government was established through the sovereign mandate of our people. It's just been a month and look at what's already happening! Paeng Yabut is at once threatened with a barricade, even threatened with death. And for what? For exercising his right to give Mr Marcos an hour to air his side on the continuing smear campaign against him.

Apparently, these people in the saddle cannot tolerate freedom of speech and of the press under any constitution. They cannot go wrong. Their intolerance sends them applauding over the rape of the supreme court, abolition of the Batasang Pambansa and the abuse of career people in the bureaucracy. Disregarding that both KBL and Opposition members of the Batasan were elected by the people and that the proclaimers of the so-called "Freedom Constitution" were not, the minions of this new administration insist that they and only they have the right to express their thoughts. They think that because they are organized, they can exercise democracy through intimidation by a noisy and organized partisan crowd.

At the Quezon Circle last Sunday afternoon, a good crowd of Marcos loyalists from various parts of Metro Manila gathered spontaneously. A morning newspaper estimated the crowd as only 200, but the picture belied the estimate. The point however, is that given a week or two this nucleus of Marcos supporters can swell into an uncontrollable gathering of millions once the movement spreads in the metropolis and nearby provinces, and by golly, no jail in the world can contain the number of Marcos loyalists who are starting to exercise "People Power" in the Capital Region and other provinces, cities, and town throughout the land.

The single weakest foundation of this new adminstration is its illegitimacy. They hold Malacanang by virtue of a coup. The "temporary" dictatorial powers are justified on the grounds of popular consent, conveniently brushing aside the fact that popular consent is achieved through the ballot and not through an organized crowd of people in Metro Manila gathered by clerico-fascists through radio Veritas.

The trouble is what we have is a vicious cycle. As Reuben Canoy says: Practice makes perfect. A power-grab through whatever means spawns another power-grab. The danger is that power-wielders can get drunk with power and adopt repressive means to quell opposition to their absolute exercise of political authority. In a nation divided as we are in persuasion and loyalty, the current political crisis can deteriorate to a point where blood may be shed. We are all better reminded that bigotry and the inclination to use violence is not the monopoly of anyone.

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CSO: 4200/913

'YOUNG TURKS' TO TAKE OVER LEADERSHIP OF KBL

HK130100 Manila MANILA BULLETIN in English 11 Apr 86 pp 1, 6

[Text] "Young Turks" will take over leadership of the Kilusang Bagong Lipunan (KBL) when the party approves its reorganization plan and elects new officers in a national convention to be held after the rump session of the Batasang Pambansa on Monday, reports said yesterday.

Meanwhile, former Batasan Speaker Nicanor Yniguez finally decided to assume the post of acting president in a caucus of young KBL leaders the other night. He will act as KBL head until the new president and other officers are elected in the convention.

The KBL national directorate meets tomorrow to discuss the mechanics of the rump session and the party's reorganization scheme, as well as its position on the ongoing replacements of local elective officials by the Aquino administration and other issues.

Former Labor Minister and Bulacan MP Blas F. Ople, head of the Partido Nacionalista ng Pilipinas (PNP) and chairman of a 25 man provisional central committee seeking to unify KBL and ex-KBL groups, is expected to submit a progress report.

It was agreed earlier that if members of the United Nationalist Democratic Organization (UNIDO) attends the rump session of the Batasan, the assembly will declare all posts vacant and elect a new speaker, speaker protempore, prime minister, deputy prime minister, and majority floor leader on the basis of nominations from the Aquino administration.

Whether UNIDO members attend or not, it was proposed that before the session adjourns, a constituent committee be formed and empowered to draft a constitution for submission to the Batasan.

A big crowd of KBL loyalists and supporters will converge at the Batasan session premises, possibly at the Asian Institute of Tourism in Quezon City, to protect KBL MPS following threats that President Aquino's "people power" and a mob of radicals are out to "lynch" participants of the rump session.

The Unido will meet in a caucus today to formulate its official stand on the Batasan rump session. Unido members who initiated the move to convene the

Batasan were reported to have a change of heart after they were called to Malacanang for a conference.

A group of KBL leaders composed of former assemblymen, constitutional convention delegates, congressmen, incumbent and former provincial governors, and city and municipal mayors, as well as sanggunian members, had earlier asked for a top-to-bottom revamp of the party "strictly in accordance with party rules. [quotation marks as published]

The group had appealed to the party officers to concentrate their efforts in "protecting their rights and interests of local executives who are now being illegally ousted by 'dictatorial' acts of the incumbent local government minister."

Among those being eyed for the party presidency are Ople, Yniguez, former Prime Minister and Cavite MP Cesar E. A. Virata, former Deputy Prime Minister Jose A. Rono, Davao City MP and former Justice Deputy Minister Manuel Garcia.

Rono resigned as deputy prime minister and Batasan majority floor leader even before Proclamation No 3 abolishing the Batasan was issued. He said he would not seek any party position but will remain with the KBL and help local officials fight injustices.

The group of young KBL leaders had strongly endorsed the election of former Manila Assemblyman and Trade and Industry Deputy Minister Gerardo Espina as party president.

They said Espina fits the need for young, brilliant, and progressive leadership and has national visibility due to his performance in the 1971 Constitutional Convention, the interim Batasang Pambansa, and his being a broadcast journalist and newspaperman.

According to them, Espina has the necessary political base -- Metro Manila and the Visayas -- and has access to media, has top educational qualifications and experience in the political field.

The group endorsing Espina is composed of governors, mayors, MPS, former congressmen and assemblymen, sectoral groups, youth and student leaders, retired military leaders, sectoral groups, members of the academe, and former diplomats.

The group had instructed the special study group, headed by former Assemblyman Antonio Tupaz of Agusan del Norte, to report to the national convention on how to strengthen the KBL down to the precinct level.

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CSO: 4200/913

COLUMNIST VIEWS ENRILE'S 'HANDS OFF' POLICY ON GOVERNMENT JOBS

HK110424 Manila MANILA BULLETIN in English 7 Apr p 6

[Column by Orlando F. Aquino: "Act of Statesmanship"]

[Text] Defense Minister Juan Ponce Enrile has adopted a "hands off" policy on the appointment of people to what he described as "civil and judicial" positions in government.

Enrile made known this stand -- an act of abnegation, a form of statesmanship -- at a testimonial dinner of the FEU [Far Eastern University] Law Alumni Association last weekend in a clear move to stop speculations about his political plans, particularly in Cagayan, his home province.

Already, leaders of President Corazon Aquino, who put up a gallant but losing fight in Cagayan during the "snap" election campaign, are protesting the appointment or impending appointment of known and rabid Marcos followers or pseudo-opposition leaders to OIC [officer in charge] positions in that province.

Rightly or wrongly but understandably, Enrile is getting a lot of political flak from them considering his high position in the Marcos regime. And despite his severance of his Kilusang Bagong Lipunan (KBL) connections during and after the February revolution, it is being bruited about that one of his close lieutenants continues to be politically active, making recommendations and exerting pressure on certain powers that be in the new government. And it is the impression of many that he has been quite successful at it because of his "Enrile connection."

Enrile's decision not to engage in any "politicking," for want of a better word, and concentrate on his job as defense minister should put a lot of people at ease and guide those concerned accordingly.

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CSO: 4200/913

CLASH BETWEEN FARMERS GROUPS 'IMMINENT'

HK140510 Quezon City BUSINESS DAY in English 9 Apr 86 p 10

[By Michael D. Marasigan]

[Text] Farmers groups belonging to the government-organized Pambansang Katipunan ng mga Samahang Nayon [National Federation of Village Cooperatives] appear to face an imminent clash with the more militant Kilusang Magbubukid ng Pilipinas [Philippine Peasants Movement] (KMP).

The PKSN, numbering about 1.5 million are seeking the ouster of Agriculture and Food Minister Ramon Mitra for failing to see the true plight of farmers. They claimed that Mitra has instead allowed himself to be dictated by the KMP which they said were not really farmers and had dubious backgrounds.

The KMP on the other hand had demanded the scrapping of about 16,000 smaahang nayons in the country, as well as the Agrarian Reform Beneficiaries Association organized in 1972 upon the signing of the land reform program by ex-President Marcos.

Instead of scrapping the samahang nayon and discrediting the PKSN, the farmers said another organization, the Agrarian Reform Beneficiaries Association (ARBA) should instead be put in question for their questionable activities.

PKSN National President Ambrosio Lumibao said Mitra was not fit to stay in office as "he proved too weak to test squarely the vital problems confronting the farm sector."

"Farmers are reeling from the negative impact of plummeting prices of farm produce, scarcity of credit and skyrocketing prices of vital inputs," Lumibao said, "but Mitra instead of solving, such problems has resorted to rubble rousing, placing even the innocent member of the PKSN in bad light to draw national attention away from his faults and misgivings."

According to Lumibao, Mitra's ill-will against the farm sector was reflected in his accusations blaming PKSN for picketing proceeds of barangay savings and barangay guarantee funds.

In a forum held last Thursday, the KMP suggested the dismantling of the PKSN and ARBA allegedly for serving as propaganda machinery.

The farmers present during the forum also demanded that the Samahang nayon make a full accounting of the money collected from the farmers by the PKSN for the barangay savings and barangay guarantee funds. They urged Mitra to negotiate for the return of these funds to the farmers.

During the forum Mitra agreed to implement the suggested dismantling of the PKSN and Arba saying that the "government has no business organizing farmers associations; the farmers should be given the right to organize by themselves."

However, Lumibao said that Mitra was ill-advised. The new agriculture minister should have talked to us first before making such an announcement, he said.

The PKSN president said that their organizations has never been used by the government for political propaganda. He debunked Mitra's claim that the PKSN was receiving massive financial support to help perpetuate the regime of deposed President Marcos. He stressed that PKSN operated totally as a private organization.

Likewise, if an adult will have to be conducted, Mitra should start right from his ministry, he said. The barangay savings and barangay guarantee funds which may now have accumulated to over P50 million are under the supervision of the MAF [Ministry of Agriculture and Food], he added.

The MAF has a total discretion over the disposal of the fund. Its proceeds would only be disbursed to requesting farmers or samahang nayons if the PKSN board has approved such request through a resolution endorsed by the MAF.

This requirement alone, Lumibao said, ensures proper disposal of the fund, "so Mitra could only be spinning a tale of allegations out of thin air."

Lumibao claimed that Mitra was using these issues against the PKSN as a lame excuse for him to legitimize his plans to accredit the pseudo-farmers group of the KMP.

The KMP, he said, is composed of students, laborers and other religious organizations. The organization boasts of farmer leaders with dubious backgrounds.

According to Lumibao, Jaime Tadeo, KMP president used to run a samahang nayon Area Marketing Cooperative [AMC] in Plaridel, Bulacan. Until now, he said, Tadeo could not clear his name from mismanagement charges lobbed against him by the AMC members.

The same KMP official could not also explain the mysterious use of millions of pesos obtained by the AMC under his management from the cooperative development loan fund and from Norwegian missionaries, Lumibao said.

Lumibao said his farmer members are now threatening to hold vigil demonstrations in front of Malacananang within this month to press for, among other things, the ouster of Mitra.

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CSO: 4200/913

TUCP CALLS LABOR MINISTER'S REMARKS 'SLANDEROUS'

HK130046 Manila MANILA BULLETIN in English 10 Apr 86 p 7

[Text] The Trade Union Congress of the Philippines [TUCP] called slanderous to the Democratic Trade Union Movement Labor Minister Augusto Sanchez's reported remarks that leftist unionists cannot be bought which, the TUCP said, implies that other unionists can be bought.

The TUCP charged that instead of veering away from "communist front unions," Sanchez "apparently wants to be closer" to them.

"As a government official, Minister Sanchez should in fact consider, before making hasty remarks, that the democratic unionists have done and continue to do much for the stability of government," the TUCP said in a press statement.

"This innuendo is sweepingly slanderous to the entire free, democratic labor union movement," it said.

In what appeared to be a declaration of open warfare with the new labor minister, the labor center said: "This remark of Minister Sanchez, juxtaposed with other remarks also attributed to him, show him to be too imprudent for comfort.

"He barks up the wrong tree. And then, when his errors elicit reactions, he backtracks. But not until after some damage has been done."

The statement stressed that the Sanchez's pronouncements were unfair to the group which is led by TUCP and the Katipunang Manggagawang Pilipino (KMP) as well as to labor leaders with records above suspicion of that charge.

In the last election, the KMP/TUCP said it aligned itself with NAMFREL [National Citizens' Movement for Free Elections] and fielded more than 7,000 volunteers nationwide to work for a vigilant citizens' participation in the polls.

On the other hand, it pointed out, the leftists campaigned for a boycott and "helped to fuel popular frustration with the very democratic processes that we all ought to defend."

The rest of the TUCP statement:

"In this latest remark, he (Sanchez) not only has demoralized free democratic trade unionists whose conviction he ought to appreciate as the labor minister but he also has flung mud at the entire democratic union movement in this country. [quotation marks as received]

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CSO: 4200/913

REVENUE BUREAU RESIGNATION NOTICES CAUSE 'DEMORALIZATION'

HK151005 Manila MANILA BULLETIN in English 12 Apr 86 pp 1, 9

[By Jun Ramirez]

[Text] Demoralization swept officials and employees at the Bureau of Internal Revenue [BIR] yesterday as BIR Commissioner Bienvenido A. Tan Jr was reported preparing resignation notices to a second batch of more than 200 middle-level executives of the service.

The new batch included revenue district officers, division heads, and chiefs of offices.

Tan earlier demanded that 56 top officials quit voluntarily despite their being career and civil service executives.

Operations of many offices at the BIR's national and regional offices were reportedly at a standstill yesterday as officials and employees discussed TAn's controversial order.

Reacting to what they called "shoot-from-the-hips" resignation demand, one official said "it is very deplorable that this administration that was installed through people power is now spurning people's rights."

Another official said, "I had hoped when Mrs Aquino became president that the familiar abuses of the past regime had gone out with ex-President Marcos, only to realize that the new leaders are doing the same."

Some recalled that the 1973 Constitution had declared all government positions vacant, but then President Marcos only replaced those found inept and corrupt.

What rankled most, was the implication that those who would resign had committed wrongdoing, an official said.

He cited a portion of Tan's alleged secret memorandum telling the officials to resign so that they would be replaced with "honest, dedicated, and competent" people.

Tan wanted all officials holding key and sensitive positions to resign "to give the new government a free hand to choose the men and women to run the agency."

Other officials said Tan's directive violated the President's Proclamation 3, upholding the Civil Service Law.

Meanwhile, the office of Deputy Commissioner Romulo M. Villa denied it was the source of the controversial memorandum. "The whole thing was the idea of Tan," a close aide of Villa said.

Many believed that the order was instigated by Villa, mentioning Tan's earlier that he would respect the security of tenure of every personnel of the bureau regardless of their political affiliation.

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CSO: 4200/913

PAPER VIEWS ASEAN PROTECTIONISM STANCE

HK111034 Manila THE NEWS HERALD in English 8 Apr 86 p 4

[Editorial: "The ASEAN Stand on Protectionism"]

[Text] When U.S. President Ronald Reagan arrives in Bali on May 1, he will receive more than just a warm welcome from the ASEAN foreign ministers there for their regional conference.

The Association of Southeast Asian Nations, made up of Indonesia, Malaysia, Thailand, Singapore, Philippines and Brunei will present to Reagan in very clear terms their common stand against Western, particularly U.S. protectionism.

According to vice president and foreign Minister Salvador H. Laurel, the ASEAN is determined to make the developed countries see the danger of their worsening protectionist attitude towards the smaller nations. Protectionism constricts the foreign trade of the developing countries which need export earnings to pump blood into their anemic economies. Consequently, the small countries become weaker markets for the West.

In international diplomacy, paeans are usually sung to world cooperation and brotherhood, but the oratory sounds hollow in the face of such harsh realities as trade barriers imposed by the wealthy members of the family of nations on their poor relations.

The rich countries can claim they have not been really that bad. In fact, they have always taken care of their less fortunate cousins with considerable financial help. The generosity of the developed countries is not denied by their beneficiaries. But while they appreciate the huge loans they get from their rich relations, the small countries would be happier if they could be given the means to pay those obligations. Servicing their monumental debts is no picnic, as Reagan himself might put it, for the countries whose economies are stunted by a foreign trade barred from vital markets.

President Reagan is the best man to convey the ASEAN feeling about the West's protectionist policy. He represents the country that is the undisputed economic and military leader of the hemisphere. Besides, the ASEAN sentiments are the same feelings the U.S. strongly expressed to Japan which made that other world economic leader bring down the barriers to American imports for a more equitable balance of trade between the two economic giants.

Just like trade cooperation, protectionism works both ways -- but destructively.

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PHILIPPINES

NAURU TO INCREASE HOLDING IN PHILIPPINE FIRM

HK130928 Manila THE NEW PHILIPPINES DAILY EXPRESS in English 8 Apr 86 p 9

[By Rose de la Cruz]

[Text] The Nauru Government has reportedly agreed to raise to 60 percent its holdings in the Philippine Phosphate Fertilizer Corp (PHILPHOS) by investing $12 million more.

Nauru has so far invested $60 million in the fertilizer firm.

PHILPHOS president, Miguel M. Zosa is set to leave today for Nauru to finalize the additional investment, which will reduce the equity share of the Philippines in the fertilizer company.

According to Zosa, three more foreign investors have indicated interests in buying into PHILPHOS. He however, declined to identify the prospective investors.

"Negotiations are still going," Zosa said.

Nauru's additional investments in PHILPHOS, together with the entry of other foreign investors, is expected to lessen the burden of Trade and Industry Minister Jose Concepcion in disposing of the government's interest in the company.

Concepcion had earlier disclosed the Aquino government's desire to divest itself of holdings in erstwhile private concerns, such as in fertilizer.

To be sold, he said, are companies operated and owned by the National Development Corp (NDC).

Zosa, meantime, also debunked claims by some sectors that the PHILPHOS plant in Leyte -- of the 11 major industrial projects pursued by the Marcos administration -- has become a "white elephant" and that its operations duplicated the functions of existing fertilizer manufacturers and distributors.

He said that although the plant is barely a year old, it now operates on a "positive cash balance position."

Zosa said that "the mere fact that the Nauru Government and three other foreign buyers are interested in PHILPHOS shows that it isn't a white elephant as claimed by some quarters."

Zosa also reported that PHILPHOS imported 10,000 tons of urea last week.

The shipment actually belonged to an unidentified importer, who defaulted on the opening of letters-of-credit.

PHILPHOS, he said, only absorbed the shipment so as not to endanger the supply of urea locally.

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SAN MIGUEL SHARES SALE CONSIDERED LEGAL

HK141542 Hong Kong AFP in English 1424 GMT 14 Apr 86

[Text] Manila, 14 April (AFP) -- The government has declared the controversial sale of a large block of shares of the beer-based San Miguel Corp lawful, but is continuing to freeze the proceeds of the sale, officials said here Monday.

Government investigators suspect that the shares involved belonged to the Philippine multinational's former chairman, Eduardo Cojuangco, a friend of deposed President Ferdinand Marcos.

Commissioner Ramon Diaz of the Presidential Commission on Good Government told a news conference that his office now considered the sale, conducted two weeks ago, legal, but said it would sequester the proceeds anyhow.

The transaction involved the unloading for 3.3 billion pesos (161 million dollars) of 33 million shares of blue-chip San Miguel stock. They buyer was an unnamed group represented by present San Miguel chairman Andres Soriano.

Mr Cojuangco, who is an estranged cousin of President Corazon Aquino, fled to exile in the U.S. state of Hawaii along with the Marcoses last February following a military revolt that brought Mrs Aquino to power.

The government froze the sale and sequestered its proceeds on April 6 on the strength of an edict issued by Mrs Aquino that bans the movement of assets suspected to be owned by Mr Marcos and his associates.

Mrs Aquino's government is trying to ferret out billions of dollars of "hidden wealth" it claims was plundered by the deposed regime. The commission is assigned that task, and is empowered to freeze any assets it deems questionable.

Share prices of the manufacturing giant fell in trading here last week because of the freeze order, but they fully recovered in Monday's trading.

Mr Soriano's scheduled appearance Monday before a public hearing by the commission to testify about the controversial sale was also cancelled, commission member Mary Concepcion Bautista said.

The Philippine Securities Regulatory Agency earlier said that the sale did not violate its rules.

But Miss Bautista said that the sale may have breached Mrs Aquino's edict, and that the proceeds would remain frozen "until we know the real owners."

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JAPAN PROMISES MORE AID FOR NEGROS OCCIDENTAL PROVINCE

OW150629 Tokyo KYODO in English 0617 GMT 15 Apr 86

[Text] Bacolod, Philippines, 15 April KYODO -- More aid from Japanese government and private sources has been promised for the central Philippine province of Negros occidental, which has been plunged into a serious economic crisis since the decline of the sugar industry, the economic backbone of the province.

Representatives of the Japanese Committee for Negros Campaign (JCNC) and the Tokyo-based organization for industrial, spiritual and cultural advancement (OISCA) visited the province recently and pledged support for aid programs to sectors most affected by the sugar crisis.

In talks with officials of the National Federation of Sugar Workers and the concerned artists of the Philippines during the first week of April, Noriko Fukuda and Masahiko Hatta of JCNC expressed concern over the plight of staving and malnourished children.

Tadashi Watanabe of OISCA in a meeting last week with the newly appointed provincial governor, Daniel Lacson, said his group will help in a reforestration program in Negros.

The OISCA has already set up an agricultural training program in food production for youths in Bago and Murcia in the province.

Watanabe visited Bacolod, the provincial capital, with an official of the Japanese Foreign Ministry and conferred with consultants of the United Nations Childrens Fund (UNICEF) in the city.

Fukuda and Hatta were on a fact-finding mission to learn firsthand about conditions in the province. They said the JCNC was formed when UNICEF declared a state of emergency in Negros in September 1985 because of the seriousness of the problems of the people there.

The two said they discovered that about 45 billion yen worth of aid generated by JCNC for Negros do not appear to have benefited the children most in need.

They expressed misgivings and surprise about the sale on city sidewalks of Japanese secondhand clothes intended to be distributed free to poor workers and their families.

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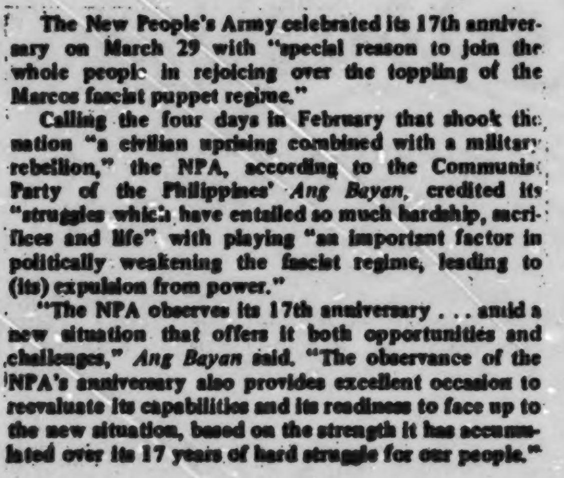
NPA CLAIMS ROLE IN MARCOS OUSTER ON 17TH ANNIVERSARY

Quezon City WE FORUM in English 1-7 Apr 86 p 15

[Article: "NPA an Important Factor in Ouster of Fascist Marcos"]

[Text]



The New People's Army celebrated its 17th anniversary on March 29 with "special reason to join the whole people in rejoicing over the toppling of the Marcos fascist puppet regime."

Calling the four days in February that shook the nation "a civilian uprising combined with a military rebellion," the NPA, according to the Communist Party of the Philippines' *Ang Bayan*, credited its "struggles which have entailed so much hardship, sacrifices and life" with playing "an important factor in politically weakening the fascist regime, leading to (its) expulsion from power."

"The NPA observes its 17th anniversary . . . amid a new situation that offers it both opportunities and challenges," *Ang Bayan* said. "The observance of the NPA's anniversary also provides excellent occasion to reevaluate its capabilities and its readiness to face up to the new situation, based on the strength it has accumulated over its 17 years of hard struggle for our people."

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SIN URGES MNLF LEADER TO CONTINUE PEACE EFFORTS

HK100752 Manila THE MANILA TIMES in English 3 Apr 86 p 1

[By Manny Mogato]

[Text] Jaime Cardinal Sin met yesterday with Sultan Macapanton Abbas Jr., a leader of a pro-autonomy MNLF faction, and appealed to him not to abandon peace efforts without first meeting with President Aquino.

Abbas, who returned with other moderate MNLF leaders from exile abroad last month to try to negotiate an end to the Mindanao conflict, had threatened Tuesday to leave the country on April 17 with his group and renew their armed struggle, saying the government had not responded properly to their peace overtures.

Sin and Abbas met for more than an hour at the Cardinal's residence in Mandaluyong, during which the Cardinal assured him of his personal interest in bringing an end to the Mindanao problem.

Abbas told Sin that the Organization of Islamic Conference and the World Muslim League will decide before April 7 on how all the factions of the MNLF, including the hardline group led by Nur Misuari, could unite and bring common representatives to Manila.

Abbas said they are still waiting for a statement from Malacanang about its policy on the Muslim question. He also said the MNLF leaders are also impatient on the delay of the mission of former Sen. Mamintal Tamano and Heherson Alvarez to the Middle East. He warned of great "instability" in the country if the talks break down.

Meanwhile, MNLF leaders will leave today for a one-week trip in several key cities in Mindanao to explain to local government executives and Christian residents their position on Muslim autonomy.

Abbas said the group will stay in Davao City today until Friday and then proceed to Gen. Santos City, Marawi and Cotabato City within the week. A big conference of Muslim leaders will be held in Marawi and Zamboanga cities. Military field commanders in the areas will join Abbas and his group.

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CARDINAL SIN COMMENTS ON BALWEG SURRENDER PROSPECTS

HK120637 Manila PHILIPPINES DAILY INQUIRER in English 9 Apr 86 pp 1-2

[By Glenda Gloria]

[Text] The surrender of rebel priest Conrado Balweg appeared certain with no less than Jaime Cardinal Sin confirming the ongoing negotiations between the clergy and rebels in the mountain province on the matter.

"Fr. Balweg may just appear one of these days. I have been in communication with his friends -- you will just see him one of these days," Sin told newsmen after he was conferred an honorary doctorate degree by the University of San Francisco at Villa San Miguel in Mandaluyong yesterday.

The cardinal, however, said Balweg's plan may not be as easy as hoped for due to what he said were reports of some hard-core communists to "put obstacles to the surrender."

"But they are very few," sin said, adding that most of the members of the New People's Army (NPA) are not communists but disgruntled persons who suffered under the oppressive Marcos regime.

According to the cardinal, clergymen and rebels close to Fr. Balweg had held talks several times to discuss the surrender but did not disclose the exact time and date.

Sin also bared the names of authorities involved in the talks but asked that they be withheld for "security reasons."

Fr. Balweg, Sin claimed, is sickly and may find it painful" to abandon his comrades in the hills. But he expresses optimism that the renegade jesuit priest will soon give up despite attempts by some hard-core rebels to dissuade him.

Asked whether Balweg will be reprimanded for joining the armed struggle, Sin expressed understanding of the priest's predicament, saying Balweg's decision to join the NPA stemmed from the oppression his own tribesmen, the Isnegs, suffered under the government of ousted President Marcos.

Balweg and two other jesuit priests including Fr. Nilo Valerio who was slain and beheaded allegedly by military men, had organized tribal peoples in Abra in the late 70s who then faced dislocation due to the construction of the multimillion peso Chico dam.

During the conferment rites, University of San Francisco President Fr. John LoSchiavo, Sj., cited Cardinal Sin for his "prophetic leadership" and his "presentation to a people in travail the model of Jesus Christ as Prince of Power."

Fr. LoSchiavo also cited the Philippines as a "symbol of hope" to an embattled world.

In accepting the honorary degree, Cardinal Sin said he was humbled because, in a very real sense, he was receiving the honor under false pretenses. According to him, the degree rightly belongs to the people, without whom, the revolution would not have succeeded.

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NPA IN BATAAN RECEIVING FUNDS FROM FISHING TOWN

HK130054 Manila MANILA BULLETIN in English 10 Apr 86 p 20

[By Efren P. Molina]

[Text] Balanga, Bataan -- A military commander said yesterday that the rich fishing town of Orani is the favorite "milking cow" of the New People's Army (NPA)in the Bataan peninsula.

Col Vicente S. Garcia, commander of Task Force Samat [TFS], told mediamen here that an average of P300,000 is collected monthly by the rebels from farmers, businessmen, fishermen, and fishpond owners.

He said the money collected by the refinance their organization and buy firearms to liquidate the innocent poor or rich, including military men and civilian government officials.

Garcia said intelligence reports showed that 25 out of the 29 barangays in Orani are under the influence of the dissidents. The barangay folk, he said, are also asked to contribute to the NPA coffers.

The rebels profess that they hate loan sharks, usurers and extorticnists but actually they have taken over from them to monopolize the exploitation of the poor and rich, according to the TFS commander.

Garcia said the dissident movement is building up its mass base in barangays in the province. He, however, said that counter measures have been taken by the military to check the growth of the organization.

He said that the industrialization program for Bataan has been hampered by the insurgency problem and lack of skilled manpower. He estimated that the province has about one battalion NPA members and leaders.

Garcia is scheduled today to hold a dialogue with residents of Orani. he said he would appeal to them to stop aiding the NPA with food and money to destabilize the organization which, he said, is posing a serious problem here.

Lt Col Cecllio R. Penilla, Bataan PC-INP [Philippine Constabulary-Integrated National Police] commander and Task Force Samat deputy commander, said the rebels are no longer espousing the tenets of communism to the people but instead are terrorizing, killing, kidnaping and blackmailing those who refuse to join them.

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COMMISSION PROPOSED FOR NPA CEASEFIRE TALKS

HK120625 Quezon City BUSINESS DAY in English 11 Apr 86 p 23

[By Marites Danguilan Vitug]

[Text] Talks for a six-month ceasefire between the armed forces and the New People's Army (NPA) are expected to start within the month immediately after the creation of a commission on reconciliation.

A still unnumbered executive order creating the commission is now under study by President Corazon C. Aquino. The most likely head of the commission is former member of parliament Emigdio Tanjuatco (Pdp-Laban, Rizal) who is also a human rights lawyer and member of the Movement of Attorneys for Brotherhood, Integrity, Nationalism, Inc. (MABINI).

Business Day learned that Tanjuatco's appointment is being carefully thought about because he is the first cousin of the president. Mrs Aquino promised not to appoint any relatives in government positions during her political campaign.

Sources close to the president, however, said she may justify Tanjuatco's appointment because the position -- considered a highly sensitive and important one -- requires Mrs Aquino's trust and confidence.

Others being considered for commission chairman are Joaquin Bernas, S. J., president of the Ateneo de Manila University and Presidential spokesman Rne Saguisag. Sources in Malacanang said both have been asked if they would be interested in the post but so far they have not shown interest.

President Aquino Wednesday night on television said she will convene the commission soon.

The commission as conceptualised will not only initiate ceasefire talks but recommend amnesty as well to "political dissenters." It will be composed of five key officials who will represent the church, military, private sector, and possibly, the legal left. Regional committees to initiate talks with the rebels will also be created.

A source involved in the drafting of the executive order told BUSINESS DAY the setup will allow the commission to coordinate various initiatives at ceasefire and avoid centralization of authority.

The source, who is close to the president, said "very few" conditions will be imposed on the rebels which the source did not specify. The negotiators from the side of government, he said, are willing to go to the mountains to talk to them.

The commission is also considering a reintegration program for insurgents who come back to the fold of law. Returning rebels may opt for collective or communal living in select areas in the countryside, they may be given individual farm lots, be employed in farms or plantations. Firearms may be bought by government to provide them cash to buy farm materials.

The same source said reintegration can start as soon as combatants are willing to come down from the mountains. "It should not be delayed just because people at the top are still negotiating," he said.

The source said some in the legal left are optimistic a ceasefire will be achieved; others have given encouragement.

For his part, Defense Minister Juan Ponce Enrile said in an interview a ceasefire "will work to some extent for those not committed but not for those in the regular force."

He also said while prospects for a ceasefire are better under the new government," it is better to be cautious."

Enrile said he was struck by Antonio Zumel's references during the March 24 press conferences to the CPP [Communist Party of the Philippines], NPA and NDF [National Democratic Front]. "He talked like he were saying, in effect, that they are on equal terms with the government."

Enrile explained his position: "talks should be done in provincial and regional levels, not central government to central government." The military, he said, will give ceasefire a try, although he added that some combatants with the NPA want to surrender but are stopped by the hardcore communists.

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AQUINO EMISSARY CONTACTING NDF ON CEASE-FIRE TALKS

HK130752 Hong Kong AFP in English GMT 13 Apr 86

[Text] Manila, 13 April (AFP) -- An unnamed emissary of President Corazon Aquino has begun contacting communist underground leaders on a government-initiated proposal to hold ceasefire talks, a newspaper reported here Sunday.

The emissary, believed to be a top church official, has begun contacting leaders of the communist-led National Democratic Front [words indistinct] Philippine INQUIRER said, citing unspecified rebel sources.

Presidential spokesman Rene Saguisag told AGENCE FRANCE-PRESSE he was personally unaware of the identity of the emissary and the progress of the mission. He said that even if he knew, he would not necessarily divulge the information.

He had earlier announced that Mrs Aquino has appointed a personal emissary to hold initial talks with leaders of the NDF which unties the communist New People's Army (NPA) and other underground groups fighting the government.

The NDF had proposed preliminary talks in reaction to Mrs Aquino's pledge to solve the country's insurgency problem through peaceful means.

Meanwhile, the newspaper MALAYA said a delegation of Moslem officials is due to leave Manila shortly for talks with Nur Misuari, the exiled chieftain of a secessionist faction of the Moro National Liberation Front (MNLF).

The group, led by former member of parliament Omar Dianalan, said they had been appointed by Mrs Aquino to initiate talks with Mr Misuari who is said to be based in the Middle East, but refused to discuss the mission in detail, the newspaper added.

Mr Dianalan could not be reached for comment Sunday. Mr Saguisag said Mrs Aquino has appointed Candu Muarip as minister for Moslem affairs but he was unaware that Mrs Aquino had appointed the Dianalan group.

He said it was possible that the panel was formed at the ministerial level. Mr Muarip could not be reached for comment.

MALAYA'S reports followed a provisional ceasefire agreement signed last week between pro-autonomy MNLF factions and the military in the southern island of Mindanao.

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DEPUTY MINISTER SUPPORTS 'PEACEFUL DIALOGUE' WITH REBELS

HK140648 Hong Kong AFP in English 0643 GMT 14 Apr 86

[Text] Manila, 14 April (AFP) -- The Philippine military supports the government's bid to end the communist rebellion through peaceful dialogue, Deputy Defense Minister Rafael Ileto said in an interview published Monday.

However, "if we feel that the other side is using this to improve their position, if the position will deteriorate too much...we have to convince the president," Mr Ileto told the newspaper BUSINESS DAY.

President Corazon Aquino appointed the 65-year-old retired general to the position following the fall in February of the 20-year regime of Ferdinand Marcos in which Gen Ileto had served as deputy military chief, then ambassador to Iran and Thailand.

A key figure in the crushing of a pro-Soviet communist rebellion in the country in the 1950's, Mr Ileto said Mrs Aquino's pledge to hold truce talks with the Maoist New People's Army (NPA) was "a possible solution" to the 17-year-old insurgency.

"We don't know if this will succeed or not. But it has never been tried before. For all you know, it may work. It will be easier, no fighting. We buy it," he said, adding that the military's strategy had been redesigned to suit this policy.

He said this consisted of talks with the NPA while both forces assume a defensive position, and a civic action program by the military "to improve the lot of the masses" and counter the NPA's recruitment activities.

He admitted that some sectors in the military "feel uneasy" with the strategy, which he branded the "soft approach," and the majority felt that the period should also be used to hone soldiers for armed action if talks fail.

Asked about a possible military intervention similar to the revolt that toppled Mr Marcos, the deputy minister said this was possible if a similar situation arises "but I don't think they ever will because the people will not allow the situation to deteriorate again."

Mr Ileto said he was taking "the same position" as Mrs Aquino on allowing the two largest U.S. overseas military bases, Subic and Clark, to stay in the Philippines until their term expires in 1991, and to keep her options after that.

But he added: "We will be concerned if the bases will be removed. Our neighbors will be concerned. We don't know how the people will react to that question, whether we will retain the bases or not."

He said the government should "cut off excess fat" from the 250,000-strong armed forces. He said they had enough armaments and new military aid from other countries should be spent on trucks and heavy equipment.

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GOVERNMENT REJECTS REBEL LIST OF POSSIBLE EMISSARIES

HK161026 Hong Kong AFP in English 1009 GMT 16 Apr 86

[Text] Manila, 16 April (AFP) -- The government has rejected a list of possible emissaries submitted by communist rebels for planned truce talks as none of them could speak with authority for the left, an official said here Wednesday.

The list contained no member of the communist leadership, only "honest brokers" who the government believed could not negotiate on behalf of the insurgents, President Corazon Aquino's spokesman Rene Saguisag told a news conference.

Presidential Executive Secretary Joker Arroyo, who is believed to be playing a key role in the contacts for possible ceasefire negotiations, told reporters after a cabinet meeting that "we have to agree on a mutually acceptable emissary" of the communists.

The agreed plan, contained in a message delivered to the rebels 12 days ago, was for the communists to provide a list of possible emissaries from which the government would select one, Mr Saguisag said.

However, the list submitted "was not taken as the proper response," he added, stressing that the government was convinced that none of those named on the list could represent the communist movement.

Earlier, officials had said the communists had accepted the unidentified government emissary since the representative had made contact with the left.

The government has imposed a veil of secrecy over the contacts, saying undue publicity of the process could derail an agreement.

Mr Saguisag did not give details on how the consultations with the rebels were arrived at.

Political Affairs Minister Antonio Cuenco told reporters after the cabinet meeting that a planned reconciliation commission which would carry out the actual negotiations with the rebels might include seven to nine members instead of the original proposal of five.

"Peace talks will come after the president has created the reconciliation commission," Mr Cuenco added.

The Aquino government, installed by a popular revolt seven weeks ago, is seeking a political settlement of the insurgency problem, to be preceded by a ceasefire with the banned Communist Party of the Philippines and its new People's Army (NPA) as well as Moslem separatist and pro-autonomy guerrillas.

Mr Saguisag said there had been a "discernible reduction" in military-rebel clashes and "some kind of a de-facto ceasefire" in parts of the country since the change of government.

The insurgency, led by the estimated 16,000-strong NPA, grew rapidly in the last few years of the 20-year rule of former President Ferdinand Marcos, now in exile in Hawaii.

The United States, the country's main military aid donor and the source of increased economic aid being sought by the Aquino government, has expressed alarm over the insurgency in the Philippines, a former U.S. colony which hosts the two largest U.S. military facilities abroad.

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CSO: 4200/913

BUSINESS DAY EDITOR ASSESSES LEYTE INSURGENCY

Meets With Insurgents

HK130702 Quezon City BUSINESS DAY in English 7 Apr 86 p 6

[By Leticia M. Locsin, Managing Editor]

[Text] We were, of course, quite conspicuous, Joey [no surname as published] particularly, with two cameras slung around his neck, one of them fitted with a telefoto lens, and his yellow and white Cory [Aquino] press ID clipped to one of several breast pockets of his black photographer's vest. In a public market and on a day designated as tabo (market day), Joey was indeed a rare sight.

Still we were both unprepared for later events of the day and the mixed feelings of fear and thrill when it became clear that we had been "picked up" for what must have been the closest encounter possible under the circumstances with Leyte insurgents.

Their courier was a boy, no more than four feet, no older than seven. He approached Joey first who, failing to understand the dialect, directed the boy to me. "Mana, [form of address to a woman]" he went straight to the point, "would you like to meet with the pulahan [reds]." He speaking in Waray.

In the region of the Warays, pulahan does not necessarily mean communist, nor is it automatically associated with the ideological connotations of the color. The term harks back to the late 1800's, and the pulahan formed the bigger mass of resistance fighters against, first, the Spanish colonizers, then the American masters and, during the last world war, the Japanese invaders. The pulahan have always been around -- as they are now -- despite present overtures for a truce, and they were around, too, under the old dictatorship. Like their Western Visayas counterparts called the Pintados, they were so called because of the streaks of red stain they had on face and body.

The instructions were for us to go to the cathedral. They would make contact first.

It had all the makings of a practical joke. They could have been less bold, more cautious. Only a plaza divides the Palo Cathedral from the municipal hall and the police headquarters. At the cathedral's rear portion is the main highway from Tacloban City which forks at the nearby public library, the left road leading southward to Tanauan, Tolosa, Dulag and Abuyog, the right road to Sta Fe and onward to Ormoc City. It was, besides, Black Saturday and the town's faithful -- in Palo's case, meaning practically the whole population -- were in church. Who knows how many of them represented constituted authority, civilian or military?

But a story is a story, and if it turned out we were at the mercy of pranksters, who was to know anyway?

It's a short walk from the Palo public market to the cathedral. We made our way unguided because the boy had quickly gotten lost in the crowd. It was, however, no problem finding them. In fact, they approached us -- three of them -- as if it were the most natural thing to do at 9:30 in the morning in a church filled with people going about their lenten devotions. We sat on the cement plant boxes beside a side door of the church. Before us was the kumbento [convent] and a little farther away, on a mound used as Calvary in the previous day's reenactment of Christ's crucifixion, the wooden crosses bearing the figures of Dimas and Cestas still stood, silhouetted against the rooftop of the bishopric's chancery.

If I had misgivings about their approach in contacting us, I was shocked at how they looked. Two were in maong [denim], jeans and t-shirts; one had a cap similar to what Saudi returnees wear, the other had one in camouflage pattern and colors and he wore a black vest exactly like Joey's. Both looked like they were hardly out of their teens. The older one was more conservatively dressed but also in t-shirt. He carried his cap in his hand. All three were clean-shaven. And good-looking. I was to find out later that they -- the two, at least -- spoke with equal facility in Waray, Cebuano, Tagalog and English.

Starting a conversation was not easy. I guess they were waiting for me, as I was for them. The one who later told me I could call him Kasamang [comrade] Fred broke the silence. Noticing that Joey's camera was open and on the ready, he put up a palm and said: "No photos,please." Joey went inside the church.

Fred was soon opening up. In Tagalog he spoke of how he previously tried to talk to local mediamen and how all his efforts were "not productive." They had also sent statements by mail. Only DYVL, the local station of the Manila Broadcasting Co. network: "accommodated" them by airing one statement. Maybe, he hoped, in the new atmosphere of press freedom and especially in Manila's more liberated media, they stood a better chance at being heard.

First, he stressed, there have been no surrenderees from region 8. He said he was concerned about news reports on negotiations or feelers supposedly being sent by their comrades in Samar. He labeled them "put-up jobs." The new administration, he suggested, should be cautioned against believing too easily. "They're all trying to polish up their images -- the politicians, the military, they're all just trying to please her." He meant, of course, President Aquino.

"That photograph showing nuns with NPAS was a hoax. Our region is small compared to Luzon and Mindanao. It is easy to identify us, that is why we do not allow photos."

And even the nun herself, according to their own intelligence reports, is "not legitimate." Fred spoke of Sister Gemma with seeming authority. Her full name is Gemma Silvero (misspelled as Silverio in press reports) and has a sister who is also a nun, Sister Flora. Both were with the Augustinian Recollects, but sometime in 1974 Gemma was dismissed by the order and she went home to ner native Sulat in eastern Samar, bringing a handful of novitiates with her. They formed the nucleus of a new order that Sister Gemma founded, the Missionary of the Sacred Heart. Sister Flora is still with the Augustinian Recollects and is assigned in Toledo, Cebu.

In the last elections, Fred said, he had personal knowledge that Sister Gemma actively campaigned for the KBL.

Did his group campaign for any party? Fred said no. They were for a boycott because they could not vote anyway. I told him I was also in Palo during that period and that I heard talk that they were knocking from door to door in the barrios on the eve of the elections saying just one word -- Cory. "That's not official, maybe some had their personal choices." In Samar, I said, the NPA's were reported to have gone near the precincts, discouraging voters from casting ballots. "They were not NPA's; they were goons. Samar was clearly supportive of Cory and the politicians figured that if less people went to the precincts there would be less ballots to manipulate in favor of Marcos." Marcos, it turned out, lost in Samar.

"We were around during election day. We were ready to help out our friends and were only waiting for their say-so. But we did not create trouble like snatching ballot boxes or intimidating voters. The other side did that.

"We are always being blamed for any disturbance. We do not initiate trouble. We do not like to harm civilians, they're the ones who protect us. We only fight when we have to. We stage ambushes and raids regularly, that's what we do, but only to eliminate the enemy and get arms and ammunition."

"Are you not supplied arms and funds by foreign powers?"

"We have no links of any kind with any foreign country."

"You appear to speak with some authority. Are you the top man here?"

The one wearing a camouflage cap flashed a knowing smile. Fred's answer took a long time coming. "No, but close enough."

He was speaking in English now, even as children moved closer to where we sat. I wondered if that was done on purpose and, if so, I had to admit that he was, after all, cautious.

"Are you from Palo?"

"No."

'From Luzon, then? Cebu?"

"I'm from Leyte."

He said he was 33, married and had three children. He met his wife through the movement which he joined in 1971 when he was only 18.

"What about your studies?"

"I had to give up formal schooling, naturally. When I stopped I was taking up A.B., major in Economics."

"What school?"

"I can't say, it would be easy to identify me."

I told him I had been made to understand that a lot of those who were identified with the movement in Leyte and Samar were student activists from Manila who fled when martial law was declared. I had thought maybe he might be one of them.

"In the early '70's that was the situation. But they've moved out. Some surrendered, some kept moving around until they were caught and imprisoned." From 1979 onward, the insurgents in the Leyte-Samar area are, in Fred's own description, "home-grown products."

"Students or peasants?"

"Only a few ere former students; the bulk of our armed men are farmers."

"Is this because they're the ones who have more gripes against the government?"

"Not really, it's just that they're used to handling guns -- they're natural hunters -- and they're sturdier and more familiar with jungle terrain."

"Then you're still up there, literally?"

"Not literally, but that's our fall-back position. We're better trained for guerrilla warfare."

"How many are you, armed and otherwise?"

"I can speak only of my sector, which is the northeast. I have read of estimates placing the nationwide number at 16,000. I think it's more. Here, we're anywhere from 500 up."

"All armed?"

"Yes, but those with high-powered arms comprise more than a regular company. The rest carry lighter arms."

"Just how many comprise a regular company?"

"One squad is composed of eight; four squads, a platoon, and four platoons a company. In all, close to 150 men. That excludes the support groups -- these are people feeding the fighting men with ammunition, food and drink; those who carry the wounded to safety and those who treat them. Yes, we also have the equivalent of paramedics and licensed nurses. We get doctors to treat the wounded whenever necessary; often times we come to town."

Isn't 150 pitifully few against the entire military command in Leyte?"

"In open combat, yes, but not for guerrilla warfare. We rarely engage the enemy in open combat. As I said earlier we avoid confrontation as much as possible. But we do not turn; we're all prepared to die."

"If you're not engaged in combat, what do you do?"

"Those of us who had to quite school try to keep up by reading. We also teach our children as well as our comrades who have not gone to school at all. The others have their own assignments: recruitment, teach-ins, and manual chores like helping farmers in the fields. After all, these people feed us, we have to earn our keep."

"What made you go up to the hills? You, Fred,you're obviously well-educated, you don't strike me as one cut out for a hard life."

"I started out in a profession that is very people-oriented. Later, I got interested in economics. I joined the movement in 1971 after I became thoroughly convinced that the way things were going, the poor just had no chance of rising above their poverty. And they seemed to be resigned to their lot. I told myself they had to be aroused. I had to tell them it was not God's will that they should be so neglected, so destitute."

"I started out by talking to them. I had not, in effect, joined the movement yet. But when martial law was declared, I was tagged as an activist and jailed in Tacloban. I was freed after some people of consequence spoke for me. Immediately I went to the hills."

"How about your companions?"

The one in black vest came away from his trail bike and sat next to Fred.

"Tell me about yourself. You're Waray, aren't you?'

He flashed another toothsome grin. "When I'm here; when I'm in the south, I'm one of them."

"I suppose it's natural that you have to be elusive, but can you tell me why?"

"I have to protect my family. When I joined the movement they thought I was merely going to Cebu or Manila. You know, on an adventure trip."

"When was this?"

"Late 1982."

He didn't give a name, although the third man in the group called him Chico or Che in what must have been an unguarded moment. If Che indeed it was, it probably was just a nickname, maybe after the Cuban revolutionary and maybe because he was mestizo-looking.

"What were your reasons for joining the movement?"

"Many reasons. There were people disappearing, some of them were my friends. The authorities said they were communist sympathizers, but they were really only farmers who openly protested the fact that their lands were being taken away from them to give way to some government project or other and not being justly compensated. Like our family, some of our lands..."

It was a dead giveaway if there ever was one. In the uneasy silence that followed I shifted over in my mind facts about projects in Leyte which were onstream at that time.

"Which project? Sab-a basin, the Tongonan geothermal plant? The Pasar smelter? The Government Center? Olot?"

He refused to say and I didn't press the point. He also looked like he didn't want to say anything more. I asked him one last question -- how old was he? Not quite 24.

It was close to midday. We had talked for over 2 hours and Fred, who wore a light wind jacket over his t-shirt, was sweating profusely. I said I would treat them to lunch if we could find a place that was safe. He stood up and huddled with his companions. Then he told us to walk ahead to an eating place which was along the main road on the opposite side of the church. That was safe? I wanted to protest but Fred had obviously made up his mind. "You go ahead, we'll follow."

We had a quick meal and we ate in silence. I asked them if they would have beer, but they declined. Halfway through the meal, the door opened and in came two soldiers. One carried a combat rifle and was dressed in jungle fatigues;the other was in black uniform and had only a sidearm. They were three tables away from where we sat.

Fred's face was impassive. He just kept eating. Joey fidgeted with his camera and moved his ID higher up. (Much later, when we had said our good-byes, I asked Joey why he did that and he said maybe it would discourage the soldiers from getting nearer to us. Was he sure they were soldiers? Were they not, perhaps, the armed guards of our three "friends?" And if they were soldiers, what if they were loyalists? Would the face of Cory on Joey's ID not have invited trouble instead?)

Che and the other one, whose name or what could pass for it we never knew, stood up and picked up Joey's camera bag. It was, I suppose, a cue and Joey followed. The two soldiers looked up as the three passed by, then went back to their food. In a little while Fred also went out. No word was said between us but I figured that I would have to go to the same spot at the cathedral. But first, I had to pay the bill.

I was surprised I could still stand up. For a panicky moment there when the soldiers entered the room, I felt my knees go weak. When Joey told me later on that Che had a grenade zippered up in one of his vest pockets, I was ready to faint.

Phase two of our talks covered more crucial grounds. Kasamang Fred was very emphatic about one thing: they do not recognize a ceasefire, and they are not going to lay down their arms.

"What? Lose our bargaining power?"

He stressed that first there should be negotiations before a ceasefire can be effectively carried out.

Making it very clear that he spoke only for his sector, Fred laid down four prerequisites for negotiations leading to a possible truce:

1. Withdrawal of military detachments from their territories. These territories, he said, are the very ones tagged as "critical areas."

2. Dismantling of private armies and complete immobilization of warlords.

3. Total reform of the armed forces.

4. Release of all political prisoners in Leyte and Samar.

Views History of Leyte Insurgency

HK130716 Quezon City BUSINESS DAY in English 8 Apr 86 p 6

[By Leticia M. Locsin]

[Text] The fuel that fed the flames of insurgency in Leyte was feudal in origin. Like wood that burns best after it has stood deeply rooted in soil and taken the punishment of sun, wind and rain for years, farmers suddenly looked up from their silent toil and picked up gun and bolo in defense of life and property that were being taken away from them. I did not matter who they were up against: the smooth-talking government man persuading them to give up claims to their land to give way to projects, the man in uniform forcibly ejecting them from what had been their homes for generations, or the wealthy landlords waving land titles in their faces and insisting that by law the land was theirs -- they all took the shape of the enemy.

Soon the countryside had become a battleground, and friends who traveled across sea and mountain, seeking strange tongues but a similar language of protest were living among them, sharing their discontent, fighting their battle, and making them angrier.

Leyte, like its twin island Samar, was a child of neglect. From the Commonwealth of Quezon to the independent Republic of Roxas and all through the pre-Marcos administrations, the province was lowest in priority in terms of government concern.

In the distribution of official budgetary aid for regional development, Leyte got the least to practically nil. Not that it did not send its best minds to the highest offices of the land to help funnel some of the resources to their region but all the efforts of the De Veyras, the Avelinos, the Romualdezes, the Salazars, the Marabuts and the Velosos were all to naught. The seat of power remained inaccessible.

Its people, not really lazy by nature, got tired of waiting for the prosperity that was always promised in campaign rhetoric and, now apathetic, turned to their fields and to the sea for their existence.

There was never any real threat of going hungry anyway. Here the land is fertile and does not require too much working. And, the sea teems with food enough for everybody.

The neglect of centuries wove itself deep into the fabric of Leyte's life. Expecting some and getting nothing, the Leyteno accepted his lot meekly and internalized his hurts. He turned to faith and, paradoxically, to the pagan rituals of song and dance centered on a patron or patrona. To those who are not of his ilk, the Leyteno is a figure of passivity and even on indolence. The casual student of the Waray character would easily dismiss him as a "ne'er-do-well" or a "happy-go-lucky" individual who is more preoccupied with drink food, and merry making than with more serious concerns.

But behind the mask lurks the monster. For the Waray is as quick to violence as he is to mirth. It may take much to wake the sleeping tiger but once aroused its fury is not easy to contain.

When Imelda rose to power in the '60s, the gates of Malacanang were opened to Leyte -- too sudden if not too soon -- and in the wake of the overflow of available resources, the Leyteno was overwhelmed. It was as if the tables were turned -- as indeed they were -- and now the thrust of national development placed the region in center stage.

The ambitious blueprint laid out just as soon as Imelda took charge of the housekeeping in Malacanang, envisioned power generation (a geothermal plant in Tongonan, Leyte), food sufficiency (Catubig Valley in Samar and Sab-a Basin in Leyte), commerce (an export processing zone in Tacloban City), and shelter (reclamation and development of almost 720 hectares of shoreland from the heart of Tacloban and around the bay to the provincial airstrip).

Long-range projects in Leyte include heavy investments in a copper smelter, a phosphate fertilizer plant and an aluminum smelter (the Philippine Associated Smelting and Refining Corporation in Isabel). [PASAR]

Sitting on top of this developmental orgy was Imelda herself, hurrying for completion, impatient for visible results. The instant signs of progress soon changed the landscape: the three-kilometer Marcos Bridge Linking Leyte and Samar, the vast network of cemented access roads and highways radiating from the bridge, banks, government buildings, the Sto Nino Shrine, the People's Center, resorts, the Olot rest house, the Nipa Hut.

On the side or in the fringes of this thrust were small industries related to crafts, cattle-grazing, fishery and more -- all designed to budge the long idle Waray away from his fighting cock and tuba [coconut wine] and to once more flex his muscles.

But it soon became apparent that the price for overnight prosperity was not always counted in pesos or dollars. Progress presupposes change and change that does not undergo a slow, steady evolution exacts a heavy toll on the people and the institutions that stand in the way.

The headlong rush to make up for Leyte's long standing isolation from the sources of largesse claimed along list of victims -- the bulk of them farmers who were dispossessed of their lands.

The Government Center in Palo ate up the three barrios of Baras, Candahug and Pawing, earlier already claimed in part for the construction of the Gen Mac Arthur Memorial Shrine and the Imelda Park.

The Sab-a Basin encompasses not only idle marshlands but also large tracts of barrios belonging to at least four municipalities.

The Tongonan geothermal plant and the PASAR complex have also encroached on private property.

On paper these properties have all been expropriated and "fully compensated;" the farmers who lost their lands and who have since been resettled say they did not get enough.

While Leyte's working masses have carried their grievances with them to the hills, many of the young intellectuals have put their protest in print.

A student from Palo, Raul Dumas Agner, in a thesis required for a master's degree in anthropology (University of San Carlos, Cebu) theorized:

"That change is an enduring reality which every culture has to face is to a great extent true in Leyte as in any other province of the Philippines today.

"One important point,however, has to be considered. Culture, from the anthropological viewpoint, is considered as an interrelated whole in a state of relative equilibrium,. Every innovation therefore carries with it both positive and negative modifications in the various components of a given culture. This seems to be true in Leyte, for while some sectors of the population benefitted from the different development programs, others faced disruption."

An unpublished manuscript by Antonio D. Corales takes up the legal question. The government's power of eminent domain, he states, is such that once it is exercised, citizens have to "bow down and bend their knees, submit and obey. The impact on the people of such powers depends mostly on the kind of interpretation of our laws...and the way such interpretation is implemented."

While admitting that "at no other time in its history has Leyte witnessed such simultaneous constructions of infrastructural projects," the article directs, rather pointedly, questions to "our young, energetic and too active and ambitious governor," Kokoy Romualdez in the case of the Government Center:

1. Were properties fairly and justly compensated?

2. Were those affected by the expropriation treated and cared for in a accordance with the principles of equality, justice and above all, in the spirit of our first lady's concept of human settlement, with tender care and compassion?

3. Were they positively convinced that "for the sake of progress and for the welfare of all they must surrender, leave and abandon their last and hardly acquired properties?

Corales contends that the victims of expropriation were promised just compensation and resettlement in a well-developed site. But payment when it came was at "very low prices and not according to the mandates of the constitution -- the current market price."

And once fully paid -- on paper -- properties became the domain of the state and ejection was implemented. Appeals were raised up to Malacanang and suits were filed in court. The appeals were unheeded; the courts have yet to hand down decisions.

The resettlement site, according to the people living here, leaves so much to be desired in terms of just the barest essentials of living. But they have slowly adapted to their new environment. "What else can we do, we had no other choice."

Corales underlines the seeds of discontent: "This government's act of insanity and insincerity polluted the people's mind."

Palo, it is said, is the center of protest in the eastern part of Leyte. It is not by coincidence that in the restiveness against the past regime Palo was some kind of hotbed, and in the past elections, the opposition found its leaders among its young -- Ben Abella, Roy Montejo, Polding Petilla, Lino Dumas and the doctors, John Abando and Teddy Sevilla.

It is difficult to ascertain how many of Palo's sons (and daughters) are up in the hills. It is easier to assume -- and our experience is proof enough -- that in the northeast sector, one does not have to go deep into the jungles to meet them.

If Kasamang [comrade] Fred was willing to talk and was, in fact, searching for a medium "to be heard," then he and his comrades may just be ready for peace talks. But they're no deluding themselves. They know the military will never agree to their conditions and neither are they willing to meet them halfway.

"Those who were in command of the military in Leyte, except for Mison, are still here. There has been too much bad blood between us for years, we are not silly enough to think they will not kill us if we come forward waving the white flag."

Pressed for particular names, Kasamang Fred mentioned -- in addition to Mison -- Lopez, Cabubuy, Figueroa, the brothers Almaden (George and Jesus) and Laboy.

Along with the military -- and at times to a more frightening degree as far as the insurgents are concerned -- the CHDF (Civilian Home Defense Force) and their political patrons (The KBL mayors) have been their chief tormentors.

Kasamang Fred spoke of MIG5 (Mayor's Intelligence Group) who terrorized the countryside and often times infiltrated their ranks. These were the agents of "salvaging." They were in civilian clothes but they had the full force of the CHDF and the military behind them. Fred allowed BUSINESS DAY to photograph an identification card which was confiscated from an infiltrator. It bore the name Antero Noronio and it was signed by Baybay Mayor Loreto (we couldn't make out the first name). Fred said he learned from Senar that funding for the MIGS was provided by the KKK (Kilusang Kabuhayan at Kaunlaran), a program which was ostensibly geared at earning a livelihood.

Who are the warlords they want immobilized? All the KBL mayors in Leyte, Fred said, as well as Yniguez, Romualdez and Rono. Other names, obviously those of immediate recall, were Enerlan (Burauen), Martillo (Dagami), Tansingco (Mayorga) Bautista (Dulag), and the widow of Cua (Javier).

"They were all instruments of the dictatorship," [word indistinct] and to them it is obviously not enough that they should be merely ousted from power and changed with OICS. My total immobilization, Fred may have even suggested violent means. Although he didn't say it, he said he was not disposed to showing them mercy "as they in their time did not show us mercy."

In a more conciliatory tone Fred said he thinks President Aquino is "sincere about undergoing reforms." He gave "good points" for her early acts in office -- restoration of the writ of habeas corpus and release of political detainees -- and he said they are going to support all her "pro-people" programs and policies.

"Good points" were also conceded to Minister Enrile and Gen Ramos for their part in the February revolution, and to the reform movement in the military.

"If they continue with the reforms and are sincere about it, there is no reason we have to go on fighting."

Was this, perhaps, an admission of weakness? Are they ready to give up the fight? Fred had earlier admitted that faced with superior weaponry and bigger numbers of fighting men, they are no match in open combat.

In all likelihood, Fred and his comrades will not opt for a ceremonial act surrender. When reforms shall have changed the sociological and political climate, and the institutions of a true democracy shall have been firmly erected, maybe they will just quietly blend into the rustic backdrop. Fred and his family will live among friends he can trust and he can return home from his adventure trip. They will probably just lay down their arms and keep them in hiding -- for another day, perhaps, when oppression once more rears its ugly head.

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CSO: 4200/913

BRIEFS

IGOROT GROUP SEEKS AUTONOMY--Baguio City--Members of the Cordillera People's Alliance (CPA), a group of 78 organizations among the Igorots are seeking the assistance of President Corazon Aquino. The alliance has a two-fold demand: regional autonomy of the Cordillera and the respect for the ancestral land of the natives. The Cordillera is divided into two regions: Mt Province, Benguet and Abra in Region I, and Ifugao and Kalinga Apayao in Region II. The CPA wants an autonomous body to govern the region. The CPA is also seeking a stop to the entry of any companies, which will put up dams, mining companies, or geothermal plants in their ancestral lands. Meanwhile, CPA has made preparations for the celebration of Cordillera Day to be held in Bontoc, Mt Province on April 24. CPA is also requesting president Aquino to be the special guest. Cordillera Day used to be the Macli-ing Memorial Day in commemoration of the death Of Macli-ing Dulag who was killed allegedly by the military in 1980 for opposing the construction of the Chico River Dam. [Text] [Quezon City BUSINESS DAY in English 14 Apr 86 p 14 HK]

DIPLOMAT URGES AQUINO SUPPORT--Manila, 12 April (AFP)--A self-exiled Pakistani diplomat Saturday urged Philippine President Corazon Aquino to support Pakistan opposition leader Benazir Bhutto. Bahir Malik, former charge d'affaires of the Pakistan Embassy here, also claimed that the Ziaul Haq government would collapse if U.S. support was withdrawn. "I appeal to President Aquino, (Vice President Salvador) Laurel and the Filipino people to support Bhutto in her struggle to liberate the people of Pakistan," Mr Malik said in a statement. He told AGENCE FRANCE-PRESSE that the opposition Pakistan People's Party wanted to duplicate the "people power" revolt that toppled strongman Ferdinand Marcos and swept Mrs Aquino to power in February. "Zia will fall as soon as the White House withdraws that support, just like what happened to Marcos," the statement said. Pakistan Embassy officials here could not immediately be reached for comment. [Text] [Hong Kong AFP in English 0851 GMT 12 Apr 86 HK]

MINDANAO NPA DEMAND REMOVAL--The Communist New People's Army operating in Davao and South Cotabato are demanding the ouster of Defense Minster Juan Ponce Enrile and Armed Forces Chief of Staff General Fidel Ramos. The rebels' (move) was discovered in a confidential report received by Colonel Orlando Soriano, newly installed head of the 22nd brigade stationed in (Buwayan), general Santos City. Soriano said the NPA has ordered residents in six villages in (Malongkon), south Cotabato, to petition President Aquino for the removal of Enrile and Ramos. [Text] [Quezon City DZFM Radio in English 0700 GMT 15 Apr 86 HK]

RENEGADE MARINES SURRENDER--Fifteen Philippine marines who had fled to the hills and formed the lost command surrendered to the military authorities in Tuguegarao, Cagayan. This was announced by acting Cagayan Valley PC-INP [Philippine Constabulary-Integrated National Police] regional command chief Colonel Manuel Avila. Avila said the former soldiers who had been declared AWOL were led by Captain Leonardo (Regacho). (Regacho) said they fled to the hills after one of their superior officers, Major Librato (Laja), declared them as members of the Communist New People's Army. It was not explained why they were declared rebels by Major (Laja). Col Avila said the 15 marines will fly to Manila shortly after their surrender yesterday. [Text] [Quezon City DZFM Radio in English 0100 GMT 15 Apr 86]

GOVERNMENT NAMES MINISTER--Heherzon "Sonny" Alvarez is the new minister of agrarian reform. A former constitutional convention delegate, Alvarez who also heads the Ninoy Aquino Movement in the U.S., had earlier been appointed ambassador extraordinaire by President Corazon C. Aquino. Meanwhile, Andres Narvaza, legal counsel of the defunct Agrava fact finding board, former Member of Parliament Marcelo Fernan and former Constitutional Convention delegate were named associate justices of the Supreme Court. Also yesterday, former Member of Parliament Jose L. Atienza was sworn into office by President Aquino as general manager of the National Housing Authority to replace Gaudencio Tobias. [Text] [Quezon City BUSINESS DAY in English 11 Apr 86 p 23 HK]

LOCAL ELECTIONS, CONSTITUTION RATIFICATION--Minister Antonio Cuenco today disclosed that local elections and the ratification of the new constitution will be held simultaneously. He said November 11 this year would likely be the date for the political exercise. According to Cuenco a committee of 5 has been formed to screen some 1,000 applicants for the drafting of the new constitution. He also confirmed the creation of a board of appeals that will resolve conflicts regarding the appointment of officers in charge of local government offices. [Text] [Quezon City DZFM Radio in English 0800 GMT 15 Apr 86 HK]

MARCOS AMNESTY PROPOSAL STUDIED--The Aquino government is studying a proposal to grant amnesty to former President Marcos in exchange for his hidden wealth. This surfaced during a press briefing given by presidential spokesman Rene Saguisag. Replying to a question if the cabinet, in its meeting last week, discussed a proposal to grant amnesty to the former president in exchange for his hidden wealth, Saguisag said nothing definite has been decided by the cabinet on the matter. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 14 Apr 86 HK]

PARDON FOR SOLDIERS WANTED--Defense Minister Juan Ponce Enrile said that he may ask President Aquino to pardons soldiers accused of human rights violations. Enrile noted that Mrs Aquino has pardoned more than 500 alleged communist rebels imprisoned by former President Ferdinand Marcos. In a separate statement, Armed Forces Chief General Fidel ramos said yesterday he would welcome complaints against military personnel, including generals retired or still in the active service, for alleged crimes. Ramos made the statement during an open forum at the joint general membership meeting of the Bishops-Businessmen's Conference, the Makati Business Club, and the Management Association of the Philippines at the Intercontinental Hotel in Makati. he said that the Commission on Good Government headed by Minister Jovito Salonga is the proper body to initiate any move to avoid any whitewash in the investigation. Ramos said the AFP [Armed Forces of the Philippines] hierarchy is ready to cooperate with the investigating agency. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 11 Apr 86 HK]

TV STATION ADMINISTRATORS--A board of administrators have been created to manage and operate the Banahaw Broadcasting Corporation [BBC], Radio Philippine Network [RPN] and the Intercontinental Broadcasting Corporation [IBC]. The board was created under an executive order issued by President Corazon Aquino. The order which took effect immediately was announced by Information Minister Teodoro Locsin Jr. Initially five members were appointed to the board. They are Francisco Licuanan 3d, Manuel Morato, Ninez Cacho-Olivares, Virgilio Yuson and Ricardo Nepomuceno. Under executive order, all members of the board are to come from the private sector. [Text] [Quezon City DZFM Radio in English 0500 GMT 15 Apr 86 HK] /12913

COMMUNICATIONS FIRMS MANAGERS--Transportation and Communications Minister Hernando Perez today said sequestered communications firms will be turned over to new managers. The sequestered firms are the Philippine Long Distance Telephone Company [PLDT], the Philippine Communications Satellite Corporation [Philcomsat], Eastern Telecommunications Philippines Incorporated and the Philippines Overseas Telecommunications Corporation. At the PLDT, Perez said a supervisory committee has been appointed, while at the Philcomsat, there is strong opposition against Carlos Parales as present OIC [Officer in Charge]. He said once matters are ironed out, the ministry will dialogue with the new managers on how these firms should be operated efficiently. [Text] [Quezon City DZFM Radio in English 0700 GMT 14 Apr 86 HK] /12913

CSO: 5500/4328

INTERNATIONAL RELATIONS, TRADE, AND AID

NHAN DAN SCORES WEINBERGER'S ASIA-PACIFIC TRIP

OW130921 Hanoi VNA in English 0723 GMT 13 Apr 86

[Text] Hanoi, April 13 (VNA)--The daily NHAN DAN in a commentary today reveals the three concrete objectives of U.S. Defense Secretary Caspar Weinberger's freshly-ended trip to five Asia-Pacific nations.

These objectives, the paper points out, are to beef up U.S. military alliance with Japan and South Korea in northeast Asia, tighten U.S. military links with the Philippines where the United States has two huge military bases--Clark and Subic--and with Thailand, and consolidate the ANZUS military bloc. All this, the paper says, is intended to accelerate the deployment of the new Asia-Pacific strategy of the United States. In addition, Weinberger has also sought to press Japan and drag Australia into the U.S. SDI program, it adds.

NHAN DAN continues: "It is clear through Weinberger's trip that the United States is bent on applying its reactionary Asia-Pacific strategy in hopes of encircling and attacking the Soviet Union and the socialist community from the east and south, controlling this region militarily, politically, and economically, meddling in the internal affairs of other countries, and disrupting normal ties among nations in the region.

"Weinberger's trip marks a new dangerous development in the U.S. militarist strategy in this part of the world. This strategy is based on U.S. alliance with Japan and South Korea, and U.S. cooperation with the Chinese and other reactionary forces in the region, seriously jeopardizing peace, security, and stability in Asia and the Pacific.

"To cover up those dark schemes and acts, Weinberger made repeated slanders wherever he came about 'the threat of expansion and aggression' from the Soviet Union and Vietnam. This allegation is similar to the one spread by the Beijing reactionaries.

"During his trip, Weinberger faced anti-U.S. demonstrations in Seoul, Manila, and Bangkok, under the slogans 'we want peace, not weapons,' 'U.S. go home,' 'Weinberger, go home'. These demonstrations reflected the attitude of the Asia-Pacific people toward the perilous U.S. calculations in this region, and also showed that the situation in this region has changed and that all reactionary forces, the U.S. imperialists included, can no longer run counter to the trend of our time--that of peace, national independence, and social progress.

"The New Zealand prime minister's recent declaration that his country would rather withdraw from ANZUS than change its anti-nuclear weapon policy indicates that the United States can no longer impose its will easily on other independent and sovereign nations. Washington's dangerous plots are putting the Asia-Pacific nations on guard and making them more determined to struggle for the conversion of Asia and the Pacific into a region of peace and stability in conformity with the genuine interests and earnest aspirations of the 3,000 million people in the region."

/9871
CSO: 4200/909

INTERNATIONAL RELATIONS, TRADE, AND AID

SOCIALIST PARTY SUPPORTS SOVIET 'PEACE' POLICIES

OW140811 Hanoi VNA in English 0729 GMT 14 Apr 86

[Text] Hanoi, April 14 (VNA)--"The Vietnam Socialist Party strongly supports the comprehensive program for the partial dismantlement of nuclear weapons as well as the recent peace initiatives made by the Soviet Union, and considers them a very important step to save mankind from a nuclear holocaust." This came in a statement made public here recently by the Vietnam Socialist Party.

The statement said that the party strongly comes out against the U.S. April 10 explosion in Nevada and stubborn attitude in pursuing the "Star Wars" program. These moves are a gross challenge to peace, justice, and the aspirations of the peace-loving people in the world, the statement stressed.

The Vietnam Socialist Party will do its utmost to actively contribute to the world's struggle for peace and progress, the statement affirmed.

/9871
CSO: 4200/909

NHAN DAN COMMENTARY MARKS MANNED SPACE FLIGHT DATE

OW120801 Hanoi VNA in English 0717 GMT 12 Apr 86

[Text] Hanoi, April 12 (VNA)--NHAN DAN today carries a commentary marking the 25th anniversary of the first manned space flight by Yuriy Gagarin (12 April 1961). The paper says: "Twenty-five years have elapsed since the flight by the first envoy of the earth, Yuriy Gagarin, into outer space. Space flight has become an important activity of humankind, bringing about practical interests and helping it better understand and master nature.

"Mankind will forever bear in mind and be grateful to Yuriy Gagarin's wonderful flight and the invaluable contributions of Soviet space science and technology. This anniversary reminds all nations and peaceful, revolutionary and progressive forces all over the world to resolutely struggle against the dangerous U.S. plan of space militarization and for a peaceful space."

The paper continues: "As a member of the Intercosmos Space Programme, together with the peoples of other socialist countries and progressive mankind, the Vietnamese people warmly welcome the major festive day of space science. We sincerely wish the Communist Party, the government, scientists, technicians, and cosmonauts of the Soviet Union, as well as the entire Soviet people new achievements in the conquest of space for peace, in the implementation of the resolutions of historic significance of the 27th Congress of the Communist Party of the Soviet Union, and in the continued perfection of socialism in the homeland of great Lenin, thus actively contributing to the success of socialism on our planet."

/9871
CSO: 4200/909

PARTY ACTIVITIES AND GOVERNMENT

ARTICLE REVIEWS LE DUC THO BOOK ON PARTY BUILDING

Hanoi NHAN DAN in Vietnamese 28 Jan 86 p 3

[Article by Pham Thanh and Trinh Thuc Huynh: "Party Building in the Vietnamese Socialist Revolution"]

[Text] Looking back at the road traveled by the revolution of our country, we are immensely proud of our party, the glorious Communist Party of Vietnam, the vanguard warriors of the Vietnamese working class and the Vietnamese people, the organizer of all victories of the past revolutionary struggle for national liberation as well as the present socialist revolution in Vietnam. Our national revolution has been continuously successful since it was led by the CPV because the party resourcefully adapted the universal principles of Marxism-Leninism about building a new style party of the working class to make it a strong Marxist-Leninist party, in flying high the leadership banner of the revolution, and in leading the revolution of Vietnam from one success to another.

The book "Party Building in the Socialist Revolution of Vietnam" (Su That Publishing House, Hanoi, 1985, 516 pages) presents a number of speeches and articles written by Comrade Le Duc Tho, member of the Political Bureau of the CPV Central Committee over the period from after the Fourth Plenum (1976) of the party until now. It is an important work, having both theoretical value and pragmatic significance concerning party building.

In the book, Comrade Le Duc Tho indicates that the history of our party building is the history of the successful building of a Marxist-Leninist political party in a country formerly a colony, half-feudal, agriculturally backward, and populated mostly by farmers and a very small number of workers. In those extremely harsh economic and human conditions, our nation has gone through perilous situation placing its very survival in jeopardy, fighting internecine foes and foreign enemies, and struggling against imperialism, feudalism, old and neo-colonislism. Against this background, the party has never ceased to develop and grow stronger, preserved the essence of the revolutionary and scientific nature of Marxism-Leninism, and led the Vietnamese revolution to victory. It is the history of the building and growth of a party that masterminded three revolutionary movements triggering the August 1945 revolution; that led two great and victorious resistances against the French and American imperialists; and that gloriously achieved the country's national democratic revolution. It is the history of the building and growth of a party that took power 40 years ago, led the building of socialism in the north for over 20 years, and at present, is now leading the building of socialism nationwide. Those historic victories of the Vietnam revolution that have a direct bearing on the destiny of the Vietnamese people and that remain a matter of actuality, those victories engineered and guided by our party in the past half-century, and the invaluable experience on party building that our party has accumulated throughout its long trek of struggle and development, has eloquently demonstrated that: "Our party, the party of the working class of Vietnam, which was created, educated and trained by beloved Chairman Ho Chi Minh, is a strong Marxist-Leninist party, the one that went through many challenges and acquired many experiences, that deserves the titles of leading vanguard of the working class and of the heroic people of Vietnam, and a strong component of the international communist movement" (p 12).

Embarking on the new phase of our country's revolution, and facing the twofold strategic mission of building socialism and protecting the socialist fatherland, the party's leadership role in regard to the entire society is increasingly important.

In order to achieve the heavy historic tasks, the party needs to be truly strong. It must possess the talent, the knowledge and the abilities to lead the task of building and protecting the fatherland, particularly the knowledge and ability in economic and social management. "The key tasks in party building at present are to continue to promote the nature of the working class and the vanguard spirit of the party, and to strengthen party political wisdom, ideological and organizational skills in order to ensure a successful execution of party lines, to raise the ability and efficiency of the party leadership in the building of socialism and the protection of the fatherland, and to allow our party to preserve its revolutionary and scientific nature and to keep its reputation as a spotless party having a high combativity spirit, and closely attached to the masses" (p 378).

The above tasks must be carried out in conjunction with increasing the effectiveness of the state's management and the working people's right to collective ownership, in order to stimulate total development of the entire socialist revolution in our country.

In this spirit, Comrade Le Duc Tho suggests that nowadays, party building must generate a profound and fundamental renovation in politics, ideology and organization in accordance with the following requirements:

First, on the basis of a unified and thorough understanding of the general policy on socialist revolution, we must improve the party's ability to lead and to organize, to implement party policies in all domains, primarily the economic.

Looking back at the road we have gone through in building socialism in the whole country in the past 10 years, since the liberation of the south, we unequivocally realize that when a correct policy is at hand, the important issue has been to organize the implementation of that policy in a dynamic, resourceful and efficient manner. In this area, besides achievements obtained, we still have many weaknesses. It is in the opinion of Comrade Le Duc Tho that "we may think of our present-day sluggishness as we are going up a hill in an oxcart with square wheels" (p 277). This "square-wheel oxcart" is illustrative of our very inefficient implementation method. Therefore, raising the efficiency of the implementation of the general party policy as well as of all party resolutions is now an urgent need in party building.

In order to successfully implement the general policy as well as each party resolution, their translation into concrete actions is most important. Each party committee of a locality or a sector must thoroughly understand them, and set objectives in accordance with their local conditions. In the recent past, we did not do that translation very well. From this shortcoming, "the party's resolutions and directives were correct, but their execution fell short. We may go as far as saying that no resolution has been carried out to completion, and no recapitulation has been done as it should have. Due to red tape, and the inefficient bureaucratic machinery, the amount of paperwork keeps multiplying, and that paperwork itself becomes useless. With an apparatus such as the present one, even a correct policy could not be implemented" (p 277). With a bureaucratic management structure, the implementation process must inevitably lead to working at cross-purposes, or a situation with "a tiger's head and a snake's tail" because of the lack of strictly defined responsibilities, of concrete and uniform implementation measures, and of control and inspection. Without the latter, no leadership is possible.

The second requirement in party building at present is the improvement of the party leadership linked to the renovation of the economic and social management structure and to the simplification of, and the elimination of bureaucratic style and conservatism in, the party and state mechanism.

Comrade Le Duc Tho suggests that "the present weakness in the party and state structural system from the central to the basic level is the cumbersome and ponderous mechanism whose effectiveness is marginal, ill-defined responsibilities, and the lack of clearly defined functions, prerogatives, and rights between party and state agencies and mass organizations, between upper and lower echelons, between the management agencies and the various production, commercial and industrial units, and between individuals and collectives. Breaking and merging organizations, and creation of new organizations are, in many instances, done haphazardly. Bureaucratic economic management structures, besides fostering the worsening of their own weaknesses, cause much harm, such as generating over-dependency on others and irresponsibility, wearing down the dynamism of agencies, stamping out the initiative of the masses, and making the administrative system heavier and overly cumbersome. In some instances, in addition to the prevailing bureaucratic organization, other deficiencies also piled up, such as fragmented organizational distribution, inability to develop the resourcefulness of the sector, localities and basic units, and inability to ensure a centralized and unified management and leadership from the central government" (p 372).

To overcome the above deficiencies, we ought, now, to carry out the principle that "the Party leads, the working people exercise collective ownership, and the state manages," in the process of building and perfecting the economic and social mechanism and its management structure in our country. This is the basis for continuing to establish relationships between the party and the state and each level, each sector and each unit in the form of principles, systems, and standard operating procedures in order to improve those relationships as they pertain to party organizations and state agencies, and between the state and mass organizations. The present and most urgent key issue for our party is raising the quality of party leadership, particularly in the economic and social domains. To achieve that, the party must, at any cost, build and strengthen the state mechanism and develop its effectiveness, and in the meantime, pay attention to building and improving mass organizations. Building a leadership structure in conformance with the spirit of collective ownership is the only viable approach that is conducive to a total elimination of bureaucratic and overbearing vestiges, to making the mechanism truly simple, yet dynamic and able to carry out the principle of democratic centralization, to completely revert to the new management structure, and to implement economic accounting and socialist-style business.

The third requirement in party building at present is to strengthen, by all means, of the party basic units. This task materializes in building districts, wards and precincts, cities, villages, subwards, etc., in building production and business organizations, and combat units, and in launching mass movements for the enhancement of the combativity of party basic units, and for the development and strengthening of party organizations, and in resolutely eliminating opportunist, backward, corrupted and unworthy members from the party.

In this requirement, the party member's character is of foremost concern. As Chairman Ho Chi Minh taught, the party can only be strong if the chapters are strong, and the chapters can only be strong if party members are good. Therefore, party building is always closely associated with the issue of party members. The most important of all is to properly assess and guarantee the character of each party member. Chairman Ho Chi Minh has repeatedly reminded us that as a party member, one must have the substance of a party member. On this premise, our party requires that each party member be a worthy revolutionary vanguard warrior of the working class, and that he or she possess the character of a party member. The party member, as he taught us, "must be the leader, and at the same time, the faithful servant of the people." First and foremost, the party member must be a person enlightened by communist ideology, absolutely faithful to the revolution, and one who vows to sacrifice his or her whole life for the independence and freedom of the fatherland, and for socialism and communism. Second, the party member must possess a working knowledge of Marxist-Leninist theory, a good grasp of party policies, an ability to discharge his duties and to lead the masses and to contribute to the leadership actions of the party organization. Third, the party member must respect and do his best to contribute to the consolidation of the system of collective ownership by the working class, to establish a close relationship with the masses, and to do propaganda, proselytization and mass organization activities well. Fourth, the party member must take to heart party building, have a sense of organization and discipline, an ability to self-criticism and criticism, and the dedication to protect the party and its solidarity and unity. Fifth, the party member must promote the international spirit of the proletariat, and contribute to carrying out the party's international duties. The above pertains to the party member's character and to fundamental requirements that he must address, and is the basis for distinguishing between party members and active members of the citizens outside the party. The party requires that every party member strive to be worthy of the party and to fulfill his responsibilities. Anyone who violates this premise is no longer a party member.

The fourth requirement in party building is the renovation in cadre basic and advanced training, the correct assignment of key cadres who must pass on the experience learned to their successors, and the enhancement of the quality and ability of all cadres to ensure a good cadre staffing allowing the party to act efficiently in any situation. This is a most important task in the long-lasting revolution of our party, because, in the final analysis, "cadres are the root of the revolution," and, "cadres decide everything."

Throughout the revolution, our party selected, trained and formed a corps of cadres who exercised their role of key leaders in an outstanding manner, experienced in combat and in work, possessing a thorough knowledge of, and resourcefully applying, Marxism-Leninism, establishing a close relationship with the masses, and gaining a high prestige within the party and among the people. In addition to those key cadres, the party has also created a large number of cadres and party members who have enjoyed a good revolutionary quality.

Nevertheless, as we embark upon a new phase of the revolution in our country, before the new requirements of the new missions, our cadre work still has many limitations and is being outdistanced by the evolution of the situation. Comrade Le Duc Tho pointed out that sluggishness and conservatism in numerous aspects of cadre work in the recent past have been an extremely important cause of the sluggishness in the prevailing structure and of many other deficiencies. Shortcomings in our cadre work make the party and state mechanism inert and less effective.

Facing the new situation and missions, our party must, more than ever, preserve and develop the party traditions of unity and solidarity, fully carry out the principle of democratic centralization, and promote a permanent pattern of self-criticism and criticism in party discussion and learning sessions. This is the fifth requirement in present-day party building.

We hope that our party building effort will stretch out to new dimensions, making our party "worthy of being the leader and the faithful servant of the people," as beloved Chairman Ho Chi Minh had hoped.

9458/12859
CSO: 4209/303

PARTY ACTIVITIES AND GOVERNMENT

BRINGING LAW INTO SOCIOECONOMIC MANAGEMENT DISCUSSED

Hanoi NHAN DAN in Vietnamese 28 Feb 86 pp 1, 2

[Article: "Bringing the Law into Socioeconomic Management"]

[Text] The Judiciary has recently held a conference to recapitulate its achievements in 5 years of building the sector, and to define its direction of efforts and tasks for the 1986-1990 period.

The sector has concentrated its efforts in completing the Penal Code and 23 other laws and regulations, including the review of laws pertaining to the organization of the state mechanism in accordance with the new constitution. It is also in the process of drafting 19 bills and other important regulations. To ensure unified management in the execution of political, economic, and social tasks, the Council of Ministers has promulgated 462 regulatory documents in the economic and social areas, such as decisions on protecting socialist properties, on strengthening market management, on fighting hoarding and smuggling, on financial autonomy for state-operated enterprises, on procedures in granting land and forests to cooperatives, and on assignment of management responsibilities for provinces and districts.

In terms of propaganda and education activities on judicial matters, efforts were made in the dissemination of new judicial documents in support of economic and social development, and of public security and national defense, aiming at stimulating cadres and citizens in trying to learn about the judicial system and to abide by the law.

In the space of 5 years, the judicial sector has trained 3,600 cadres of college- and secondary-law level, and, in cooperation with the court system, has trained nearly 200 magistrates of the same educational level for province-level courts. International cooperation in legal matters was also given due attention.

In 1986, carrying out the resolutions of the sixth, seventh, eighth, and ninth plenums of the CPV Central Committee, the judicial sector will serve state management according to the law, strengthen the socialist rule of law, contribute to the completion of key tasks of the party and the state, encourage a new, positive attitude toward work, enhance the efficiency of cadres, improve the system, and assign its cadres in function of the requirements of the new management structure.

Thoroughly understanding the socialist collective ownership of the working people, the judicial sector will strive to contribute to the institutionalization of the structure, "The party provides leadership, the people owns, and the state manages" to turn party lines and policies into laws, and to bring the law into socioeconomic management.

9458/12795
CSO: 4209/392

PARTY ACTIVITIES AND GOVERNMENT

BRIEFS

PHU KHANH'S NEW PARTY MEMBERS--In 1985, in addition to providing advanced training and educational activities to improve the quality, revolutionary ethics, and capabilities of party members, various levels of party committees in Phụ Khanh Province were also very active in expanding the party ranks, paying due attention to both quantity and quality. Party organizations focused on giving further education to outstanding citizens who had proved themselves in their day-to-day jobs, chiefly on enhancing their ideological assimilation, developing their motivation to join the party, their sense of organizational discipline, and inculcating the political position of the working class that has gained the confidence of the masses. By the end of December, the Phu Khanh party organization has absorbed 1,315 new party members, an increase of 51.8 percent compared with 1984, including 73 percent of youth members, 22 percent women, and 6.3 percent minorities. Party organizations of the city of Nha Trang, the town of Tuy Hoa, the districts of Ninh Hoa and Son Hoa, and of the provincial police and the military agency were units having formulated specific plans and projects for party development which were closely associated with the launching of revolutionary movements among the people. Owing to those efforts, those party organizations were able to enroll many new members who met qualification standards, and significantly enhanced party fighting capabilities. All new party members showed a vanguard spirit and were exemplary in diligently discharging their tasks in production and work, and established good relationships with the masses. [Text] [Hanoi NHAN DAN in Vietnamese 19 Feb 86 pp 1, 4] 9458/12795

CSO: 4209/392

BRIEFS

MANY COOPERATIVES CHEATED--In the last quarter, a "cooperative" in Hanoi did not declare 30,000 dong in sales to dodge the payment of nearly 3,000 dong in taxes. Another production group sold large amounts of material supplies and raw materials allocated under contract by the state, substituted them with poor-quality materials bought on the market, and made over 51,000 dong in profit! In many other localities, the number of "cooperatives" that cheated in a similar manner was not small. Taking advantage of their titles of collective production and business groups, they surreptitiously produced many goods, put them for sale on the market, made money, and did not pay any taxes. They also substituted and skimped on raw materials or material supplies allotted on contract. Many units were able to make junk or bogus goods, and to put lots of them on sale on sidewalks or in private stores, just because of lack of tight and efficient control by state agencies. [Text] [Hanoi NHAN DAN in Vietnamese 19 Feb 86 p 2] 9458/12795

SELLING 'ON ORDER' SCORED--The trade agency in my district has restored the method of selling "on order" and on letter of introduction. Thus, the farmers, who produce agricultural and other food products and sell them to the state, cannot buy "exchange" goods sold by state-run trade organizations. On the occasion of the last lunar new year, in department stores, some articles of common use such as light bulbs, tea service sets, aluminum pans and kettles, bowls, and children's clothes were also sold only on letter of introduction and "on order" of the store manager or of the director of the district trade corporation. Agencies and enterprises in the district, again, had to spend time to write letters of introduction for their cadres and workers who used company time to go shopping. Certain types of merchandise were not needed right away, but just the same, those buyers had no choice but to take them and store them in reserve in their homes. My unit was in want of a tea set. We had to make three trips that took three half-days to complete all the necessary procedures. Public opinion, again, voiced their concern about the bureaucratic attitude of store personnel, and about the latter's pilfering merchandise with....legal paperwork. Every one wants a method of selling that is direct, convenient, and rational, as when price subsidies were first paid with wages. [Text] [Hanoi NHAN DAN in Vietnamese 21 Feb 86 p 2] 9458/12795

CSO: 4209/388

AGRICULTURE

INCREASED EFFICIENCY URGED IN PROCESSING SECONDARY CROPS

Hanoi NHAN DAN in Vietnamese 21 Feb 86 pp 1, 4

[Editorial: "We Must Increase Our Capabilities and Efficiency in Processing Secondary-Crop Products"]

[Text] The most urgent and important task of our people at present is the reorganization and development of production that must be done in conjunction with the renovation of the management structure, and the transfer to economic accounting and socialist-style business. Making the utmost effort, participating in emulation movements for production and better labor practices, practicing economy, and producing more goods and products for society, are the duty of everybody, every level, and every sector. Boosting grain production including rice, secondary crops, and other starchy plants, is an issue of strategic importance. The resolution of the Ninth Plenum of the CPV Central Committee (Session V) stressed the need of concentrating more efforts in the agricultural production front, striving to produce this year 20 million tons of grain, including a substantial ratio of secondary crops, and introducing secondary-crop products into the daily meal structure of the people. To attain the above objectives, the major direction of efforts will be geared toward the expansion of intensive rice cultivation in regions with high goods production ratio, and in those with great needs in grain. In the meantime, we must step up intensive cultivation and expand the planting of secondary crops, and use all available land to plant other starchy plants.

In the common strategy to fulfill grain tasks, more than ever, the industrial sector, not only must make more efforts in better supporting intensive cultivation, crop increase, and expansion of cultivable areas, but must also enhance the efficiency of this support, primarily in industrial engineering and energy in the processing of secondary-crop products. In recent years, some industrial sectors and some localities have made certain efforts in researching and producing equipment and machines for the processing of manioc and corn, or in restoring and building many small hydroelectric stations to supply part of the energy needed in processing secondary-crop products. Nevertheless, in terms of secondary-crop plants, changes in perception, attitude, and production organization, are slow to materialize. Compared with objectives set by the Fifth Plenum of the party which proposed to increase the production of secondary crops to 40 to 50 percent of the general grain output, results obtained were on a very low level. Some of the causes leading to the serious plunge of the production of secondary crops were the absence of a processing network, and the scarcity, heterogeneity, and poor quality of tools, equipment, and material conditions in the processing of secondary-crop products. Up to now, the amount of processed secondary crops contributing to the grain and consumer-goods fund, and to the export fund are minimal. Although 30 percent of the value of engineering products generally support agriculture, the portion of those products supporting secondary crops is far too little. At national and local technical fairs and exhibitions, few innovations or products supporting the processing of secondary-crop products were seen. Regular secondary-crop plants, such as corn, sweet potato, and manioc, because of lack of processing, were used mostly for consumption after being harvested, resulting in a situation in which problems in maintenance, circulation, and distribution were such that the products were squandered in some places while the country suffered a chronic shortage of grain.

From now on, more must be done for the sake of secondary crops and other starchy plants by not only localities and the agricultural sector, but also by state management agencies, industrial sectors, and scientific and technical research sectors. In the immediate future, there must be close cooperation between localities and agricultural and forestry sectors in the establishment and stabilization of projected secondary-crop zones, and each concerned organization must consider production norms in secondary crops as compulsory norms of the grain production development plan of each province, city, and district. On the basis of the planned output of secondary crops for each year and each crop, we will set up a network of processing operations on the appropriate scale. When establishing their production plans, the industrial engineering sector, including both the central and local levels, must bear in mind the integration of industry and agriculture in a unified economic structure, and focus their attention on the manufacturing of equipment and tools for the processing of secondary-crop products. The manufacturing of each type of equipment and tool must take into account the peculiarities of each secondary-crop zone, the capabilities in energy development and supply, including the national sources of energy, local supply of coal, firewood, and small hydroelectric stations, and finally, solar energy that must be researched and applied in certain areas possessing adequate conditions. Existing engineering and energy installations in the city, and in towns located in secondary-crop zones, primarily in the midlands and mountainous areas, need to be integrated and developed into processing centers, basic facilities supporting the secondary-crop zones.

We have the engineering capabilities of manufacturing many types of good equipment, accessories and tools for the processing of secondary-crop products. The issue is who will place the order, and what would be a good price that can be accepted by both the manufacturer and the farmer. For the time being, the best way is to increase linkages and connections between cities and industrial organizations with agricultural regions producing agricultural products, and to encourage the signing of direct agreements between the locality or the producer of agricultural products and the industrial processing unit. The old method by which corporations of ministerial level assigned the manufacturing of processing equipment and tools to industrial units without due consideration for cost and for relevancy to the peculiarities of each secondary-crop zone should be discarded, because, as it turned out, those equipment and tools could not be sold because they were just too expensive and not appropriate to local conditions. What we should do is to manufacture processing equipment of medium and small sizes in function of the capabilities of each industrial unit and of the actual needs of each zone, and in the spirit of integrating mechanized and manual work; to pay adequate attention to the exploitation of local energy sources; and to upgrade communication lines to haul raw materials from secondary-crop zones that do not have processing means. The creation of some engineering clusters with small hydroelectric stations for the processing of secondary-crop products has been economically efficient. Experience gained by Ho Chi Minh City through its linkages with certain localities in the Mekong delta, in investing in, and building, industrial structures for the processing of agricultural and marine products, is worth learning and applying to investments for the construction of industrial processing plants for large secondary-crop zones. Likewise, localities having large secondary-crop output ought to develop their resourcefulness in initiating economic linkages as well as in investments and in the self-development of the industrial processing of secondary-crop products.

Secondary-crop products and starchy plants, if processed, can become a great and valuable source of food. They are a most-needed source of feed for domestic animals, and of raw materials for industry, and they may also become valuable commodities for export. In this spirit, all levels, sectors, localities and units must coordinate their efforts and strengthen their resolve in rapidly increasing planting area and output, and in extending their capabilities in the processing of secondary-crop products. This is the only way to bring well-processed secondary-crop products into the daily meals of the people, and to contribute to solving, in a steady and secure manner, the grain problems of our country.

9458/12795
CSO: 4209/388

AGRICULTURE

MEASURES TO EXPAND CATTLE RAISING SUGGESTED

Hanoi NONG NGHIEP in Vietnamese 5 Jan 86 p 2

[Article by P.V.: "Principal Measures To Boost Cattle Raising in Northern Provinces"]

[Text] For now and many years to come, earthwork to support intensive cultivation in general, and in northern provinces in particular, rely primarily on our herds of cattle. Unfortunately, since cultivation cycles and areas are gradually increasing, the herds of cattle on hand are unable to meet all the demands in pull force. Because of the shortage of the latter, many cooperatives cannot keep up with timely sowing and transplanting as the seasonal timetables require. Therefore, a rapid augmentation of the number of cattle is becoming an essential task for the time being as well as for a long-range plan. This task must be done by all localities and production units, chiefly where there is a shortage of pull force. In order to accomplish it, three things must be done well: To reduce the number of cattle incapacitated in the winter-spring crop; to boost cattle raising in conjunction with the animals' reproduction; and, in the meantime, to appropriately take care of the circulation of cattle, primarily in mountainous provinces and in the former Zone 4.

1. Reducing the Number of Cattle Incapacitated in the Winter-Spring Crop

This important measure aims at enhancing the quality and maintaining the quantity of cattle, and at reproducing better generations of calves. Every year, during the winter-spring crop, many localities in the region have a diabled ratio of 10 to 15 percent of their whole herd. Most noteworthy was the 1984-1985 winter-spring crop when the number of disabled cattle reached an alarming level: 13,389 head. The incapacitated cattle not only adversely affect earthwork, but also drastically decrease the harvest of organic fertilizers in support of intensive cultivation. In order to alleviate this problem, three things must be done simultaneously: appropriate feeding, proper care in using the animals, and disease prevention, of which feeding is by far the most important. The major source of feed for the winter-spring crop as well as for the whole year must be basically hay obtained in various crops. Many cooperatives have set aside 80 percent of hay for their cattle, or 1.5 tons of hay for a herd, such as Yen Mat (Kim Son, Ha Nam Ninh), and Van Ha (Dong Anh, Hanoi), and this appropriate provision of feed deters cattle disability. In order to increase the sources of feed, discarded agricultural products must be used to the optimum, and cattle must be allowed to graze on embankments of canals, ditches, parcels, and on natural grasslands. Better, a portion of the winter-spring crop planting area can be set aside to plant green feed such as corn ngo day and sweet potato to provide additional feed for cattle. The cooperative needs to encourage and give additional points in wage payment for those members who go far away to cut grass for cattle. In conjunction with the improvement of the sources of feed, use of the animals must be well managed. In cattle management, cooperatives must absolutely abolish situations in which several persons take care of the raising of an animal or use it in earthwork. Because nobody really takes care of the animal, it is easily incapacitated. Localities with good movements for better cattle raising usually assign one household for the breeding of one animal, and one plowman for its use, or better, one individual charged with both its breeding and use. In parallel with this form, cooperatives must define norms for the use of cattle as well as systems of material incentives and penalties in order to encourage households to take good care of animals. Cattle health classification must be the basis for the determination of norms in the use of cattle, and likewise, it must serve as the basis for the annual awards or penalties for cattle upgrading or downgrading. For better cattle management, cooperatives are encouraged to establish close connection between the upgrading or downgrading of each animal with the cooperative executive committee, the production group, the breeder, and the plowman. This form of interrelated responsibility has actually improved the quality of cattle herds. To reassure the breeder, the cooperative must make available a system of wage scoring right at the outset of the crop, and the level of this scoring must equal 130 to 150 percent of the average scoring for a laborer in the cooperative.

2. Boosting Pull-Cattle Raising in Conjunction with Reproduction

This is an essential measure to quickly increase the herds of cattle in cooperatives of the northern delta. Compared with the method of buying additional animals from the mountainous areas, this form offers the advantages of minimal disability, and a lower rate in blood-parasite diseases. Experience shows that 70 to 80 percent cattle bought from mountainoous provinces and raised in the delta use to be affected by trypanosomiasis, anaplasmisis, and piroplasmosis. In the delta, due to insufficient feeding and strenuous work, these animals usually become incapacitated or emaciated after one or two crops. In order to boost pull-cattle raising in conjunction with reproduction, in addition to adequate management, care, and use procedures, there should be an appropriate system of pricing calves to encourage the breeding of female water buffaloes. Cooperatives having a movement for cattle breeding for reproduction usually pay 4 to 5 kg of paddy for 1 kg of weight when pricing calves. In reality, this price determination is a prime condition for the multiplication of calve herds. The way those cooperative calculate this type of transaction is as follows: to buy a priced calf, a cooperative usually pays 750 kg of paddy, and at 4 dong per kg of paddy, it pays only 3,000 dong (new currency). The same calf bought elsewhere would cost it 5,000 dong. Moreover, the locally reproduced calf is more adjustable to the local environment and less affected by diseases. The Van Ha Cooperative (Dong Anh, Hanoi), having 125 female water buffaloes, and making the same level of expenditures, reproduced 12 calves in 10 months. If other cooperatives go ahead with an appropriate system of pricing, with a total herd of 100 animals, at least 5 healthy and robust calves will be born every year, and, in 5 to 7 years, cooperatives can become self-sufficient in pull force.

Our cattle herds are not only insufficient in quantity, but also unsatisfactory in quality. In order to improve the size of cattle, we need to rapidly promote artificial insemination with artifial and liquid semens, and to set up direct copulation by foreign oxen. We need to use different varieties of hormones to stimulate the cows' sexual urges, and to reach a higher ratio of conception. Reproduction arrangements must be made at such a time to schedule the birth of calves in between September and October when the weather is mild, and the grass abundant, allowing quick recovery for the mothers and fast growth for the calves without interfering with earthwork.

3. Taking Good Care of the Circulation of Cattle in Northern Provinces and in Zone 4

Possessing large natural grasslands, northern provinces offer great potential for a rapid expansion of cattle herds. Many households here raise as many as 5 to 7, or 10 to 15 water buffaloes and cows. To further augment those catle herds, we will need to encourage every family, agency, and armed forces unit to raise more cattle, and in the meantime, take good care of the circulation of animals. Before, some localities porhibited slaughtering and buying and selling cattle, leading not to the increase in the number of cattle, but rather to its decrease. Production must go along with circulation. The breeder raising many cattle must be allowed to sell or slaughter the extra animals. Short of this permission, he will decrease the number of animals raised. What actually happened in Nghe Tinh Province was that after 5 years of lifting restrictions and allowing the selling or slaughtering of cattle not capable of being used as draft animals, total herds went up nearly three times (the old total was almost 200,000 head, now it is 500,000), and each year, nearly 5,000 cows were sold to other provinces, and nearly 5,000 tons of meat were sold to consumers.

In cattle circulation, two methods can be applied: cash sale, and two-way exchange. Provinces should give an agency the responsibility for purchasing cattle, and for contacting neighboring provinces for those transactions, since this arrangement may avoid cumbersome procedures for both buyers and sellers. They need to expand cattle markets to make it more convenient for cattle traders. If the above tasks can be done well, cattle herds will be expanded, and self-sufficiency in pull force will be achieved.

9458/12795
CSO: 4209/379

AGRICULTURE

PROBLEMS IN PRODUCTION OF CABBAGE IN HAIPHONG DISCUSSED

Hanoi NHAN DAN in Vietnamese 21 Feb 86 p 2

[Article by Minh Son: "Production of Cabbage for Export in Haiphong: Large Demands on the Market, Satisfactory Production Capabilities, But Many Persistent Difficulties in Circulation; Production Units Lack Authority for Decision-making in Production and Business; Change in the Management Structure Brings About Slight Increase in Cabbage Output for Export"]

[Text] Market Demands and Production Capabilities

The day I arrived at Haiphong Port, the temperature was about 20 decrees C. But the comrade captain of a ship hauling fresh and live cargo of the Far East Maritime Transportation Corp. of the Soviet Union told me: "At this time, the temperature in the Far East of the Soviet Union is 25 to 30 degrees below 0 C. Our people there badly need Vietnamese cabbage." Per an economic agreement between Vietnam and the Soviet Union, Vietnam exports vegetables to the Soviet Union, and part of the cabbage exports is Haiphong's quota. Nevertheless, Haiphong has been able to export only half of its quota. Why? I have tried to find an answer at the grassroots. Many difficulties were encountered in the circulation process, hampering the completion of required conditions for the export of the vegetable. In order to harvest cabbage in early December for export, sowing had to be done in July or August. In this season, there usually are frequent and heavy rains in Vietnam, which makes avoiding damage to the young plants extremely difficult. Under the direction of the new management structure of the party and the state, heightening the spirit of collective ownership and overcoming scores of impediments, the farmers of the outercity areas of Haiphong increased substantially the winter crop cabbage-planting areas in recent years. The Tien Phong cooperative of An Hai District planted 60 hectares, giving an output of 1,o00 tons, of which 1,000 tons were exportable. The Ngo Duong cooperative planted 42 hectares, obtained an output of 1,100 tons, of which 300 tons were exportable. Investigation conducted at some other cooperatives, such as Phu Ninh (Thuy Nguyen), and Tu Son (Do Son), showed that their production capabilities were satisfactory. However, higher authorities directed that the norms for cabbage exports were one-third of the capacity of the cooperatives. Comrade Ngoc, deputy secretary of the An Hai District CPV committee, indicated: "Only nine cooperatives situated in the vegetable zone bordering Highway No 5 of our district can export 10,000 tons, while the quota given is less than 2,000 tons." Comrade Tran Toan, chairman of Thuy Nguyen District, also stated: "Our district would be able to export 5,000 tons of cabbage without any problem, if so allowed."

Therefore, demands on the market are ample, and production capabilities are great, but both the consumer and the producer cannot get what they want.

Lack of Coordination

The first problem is unrealistic planning that is still plagued by a bureaucratic and overbearing style. This is visible in the fact that norms are given without balancing the needs for their accomplishment, and without forecasting the complex situational changes that may take place, given cabbage planting usually depends on natural and weather conditions, and on a better management structure than yet exists.

The production plan is not appropriately designed from the grassroots, and the workers and the basic units are not actually the collective owners of production and business. In some instances, the foreign trade sector needs more goods, while the farmers have too little or nothing available. In some others, goods are abundant and demands are large, but exports cannot be made for lack of wrapping and containers, resulting from unpreparedness.

The second problem lies in the organization of loading operations. Not including central-level agencies, in the Haiphong area alone, hauling and loading cabbage from cooperatives to ships must go through nearly 10 agencies, corporations, stations, and warehouses. Although several organizations handle the export of cabbage, at central-level agencies as well as in the Haiphong area, there is no "director general" having overall command and the authority to solve problems on the spot. As a consequence, a situation results in which everybody has some authority but nobody knows whose responsibility it is. Everybody can realize that the plan cannot be executed, and the quality of goods has much to be desired, but the blame is put on somebody else and no one accepts the responsibility. In other words, evasion of responsibility becomes commonplace.

The third problem is the imbalance between the volume of goods that need to be stored and the insufficient capacity of refrigerated warehouses whose refrigeration machines are unable to maintain the freshness of the goods as required by normal standards. Therefore, any delay in the arrival of loading ships at the port causes immense problems in this context.

The fourth problem is the inadequate mode of payment for the producing unit and laborers. Many cooperative members of the Tien Phong cooperative (An Hai) complained: "It has been weeks since we sold vegetables to the foreign trade agency and we still do not know how much is being paid per kilogram of cabbage, let alone when we will get paid and whether we will be paid cash or with material supplies." The foreign trade sector usually does not make payments directly to the seller, but by checks through the bank. It takes a long time until the seller receives notice of payment. In order to receive the payment, the cooperative must make several trips to the bank to fulfill many procedures, and when the time to get paid finally comes, the payee is not paid in full, but must set aside a portion of the proceeds for, "the campaign for depositing money in the saving fund." Comrade Nguyen Van Chin, director of the Tien Phong Cooperative, told me that his total amount of saving fund deposited in the above manner is nearly 200,000 dong.

Changing the Method

In conjunction with the general corporation for the export of vegetables, and some other related agencies, the municipal CPV committee, and the Haiphong people's committee have renovated the whole management structure, from the production to the delivery stages, significantly contributing to the good execution of the agreement to export vegetables to the Soviet Union.

Their first act was the gradual resolution of the above-mentioned difficulties. In coordination with districts and cooperatives, related agencies and the municipal people's committee solved, on the spot, problems in seeds, fertilizers, and insecticides, and offered wrapping materials at prices affordable for the producer.

Production units belonging to the export vegetable zones in the districts of An Hai, Thuy Nguyen, Do Son, and Kien An expanded their winter-crop cabbage-planting areas for export by over 300 hectares. In order to rapidly increase the volume of quality products for export, the Department of Agriculture, the Export Agricultural Products Business Corp. (of the Haiphong Federation of Export-Import Corporations) made rapidly available needed means, and stepped up the movement for socialist emulation between workers of the Haiphong Port and the Far East fleet of the Soviet Union and other related agencies. To enhance the spirit of responsibility of the producer, on lots and baskets containing cabbage for export, were pasted labels showing weight, name, and address of production groups. The producer was fined an amount equivalent to the hauling cost from the place of production to the port for those containers not meeting export standards.

The immediate result of the new method was causing the Far East Maritime Transportation Corp. of the Soviet Union to realize that the supply sources of cabbage have become more abundant. It dispatched two additional refrigerated ships, and, in half a season, hauled nearly 4,000 tons of cabbage from Haiphong. The city has, then, exported in that half a season, a tonnage greater than that of all last year. Eight trips were made by the Soviet ships and each time, loading operations were done neatly, and completed 1 or 2 days earlier.

Upcoming Problems

In my inquiry on export cabbage, I had the opportunity to talk with some cadres from related agencies. From this exchange of views, it has been generally observed that the changes initiated by Haiphong may allow certain forms of linkages and integration that may be better than the old method of planned management by sector and by territory. However, to live up to the terms of the agreement with the Soviet Union by which we will supply an amount of vegetables in the period 1986-1990 five times that of 1985, I suggest that the following issues be of prime concern:

First, the capabilities of Haiphong's outercity cooperatives in producing the winter crop of vegetable for export, primarily cabbage, are great. Communications lines are convenient, with the longest travel time between the farthest farm to the port pier of about 1 hour. Therefore, in a couple of hours, vegetables from the fields can be picked and hauled to the ships. Perhaps we ought to centralize the export operations of vegetables in the Haiphong outercity areas instead of dispersing them in many places in the northern provinces. In past years, the hauling of vegetables from far away caused great losses.

Second, realities in past years showed that wrapping was a vital requirement. In many instances, production was done well, but products could not be sold because of the shortage of wrappings. The state ought to assign an agency for the research and production of a type of wrapping that is appropriate to cabbage, a commodity reputed for its "being fresh in the morning, withered in the evening", and that must be loaded and unloaded four times in a distance of more than 10 km by sea. In the immediate future, it would be best to design a wrapping model with necessary specifications and give it to producers of cabbage. The latter would self-procure their wrappings based on the model given, thus avoiding the use of cumbersome containers that are more expensive and cost more in transportation.

Third, generally speaking, most existing physical and technical facilities serving cabbage export operations are of old models and low output. New investments must be made for the construction of refrigerated warehouses which are also needed at the district level to allow the latter to keep the commodities fresh. The state must, in a sufficient and timely manner, subsidize for, and invest in, vegetable-planting zones in order to ensure the three-way benefit system: the state, the collective, and the worker.

Fourth, at a recent meeting between the Vegetables Export General Corp., representatives of the municipal party committee and the municipal people's committee, and a representative of the Soviet Union's maritime navigation agency, there was a consensus on the following disposition: in the next crop, best units and best workers of the outercity areas of Haiphong who have distinguished themselves in vegetable planting will be selected, and sent along with ships hauling vegetables to the Soviet Union. They will study the Soviet consumers' taste and the Soviet market with the purpose of raising the quality of exported vegetables.

9458/12795
CSO: 4209/388

CAO BANG PROVINCE INCREASES FOOD PRODUCTION

OW130931 Hanoi VNA in English 0709 GMT 13 Apr 86

[Text] Hanoi, April 13 (VNA)--The northern border province of Cao Bang, while standing ready to fight against all enemy acts of aggression, has been striving for self-sufficiency in food.

Cao Bang, one of the six northern border provinces, has 311 kilometers of common border with China and a population of 500,000, including eleven ethnic minorities, mainly the Tay, Nung, and Dao, living on more than 8,500 square kilometers of land.

Since the Chinese aggression against Vietnam's northern border provinces in February 1979, Cao Bang has quickly rehabilitated the economic and cultural establishments destroyed by Chinese troops, including five hydroelectric power stations, 117 schools, eleven hospitals, and 300,000 square meters of housing.

To become self-sufficient in food is a primary objective for Cao Bang. This is because the price of 1 kg of rice bought in the lowlands and transported to Cao Bang is triple the price of 1 kg of rice produced in the province itself.

Thanks to its major efforts toward this objective, Cao Bang's food output has increased steadily, reaching 122,000 tons in 1982, or 2,000 tons over the peak year before China's 1979 invasion.

The province's food output increased to 142,000 tons in 1984 and 150,200 tons in 1985. Maize output also increased from 4,000 tons in 1983 to 7,000 tons in 1984, and 10,000 tons in 1985.

Besides rice and maize, Cao Bang also grows tobacco and soybean. Tobacco output in 1985 doubled the figure in 1980. Soybean output was upped from 2,000 tons in 1980 to 3,900 in 1985.

Cao Bang has grown a large acreage of tung trees and set up an enterprise which annually produces more than 100 tons of tung oil for export. The hectares put under tung trees have increased from 2,000 in 1980 to 4,000 in 1984, and 7,000 in 1985. The province plans to bring the acreage of tung trees to 40,000 ha, and its annual production of tung oil to 5,000 tons for export.

Many hydroelectric power stations have been built in Cao Bang, even in the villages close to the common border with China such as Tri Vien village (Trung Khanh District) and Thanh Cong village (Nguyen Binh District).

Small industrial and handicraft production has strongly developed in the province, providing employment for thousands of people. In 1984-85, Cao Bang ranked second among the six northern border provinces in small industrial and handicraft production.

Although subjected to daily sabotage by the enemy over the past five years, Cao Bang has stood firm at its front-rank position and repulsed all land-grabbing attacks by the enemy. In spite of all difficulties and hardships, life in Cao Bang is in full swing with new dwelling and cultural houses and cinemas being constructed and work at the Tinh Tuc tin mine going on day and night for the prosperity of the country.

/9871
CSO: 4200/909

REORGANIZATION OF INDUSTRIAL SECTOR IN NGHIA BINH REPORTED

Hanoi NHAN DAN in Vietnamese 19 Feb 86 p 1

[Article: "The Nghia Binh Industrial Sector Reorganizes Its Production Units, Defines the Functions of Each Enterprise"]

[Excerpt] The industrial sector of Nghia Binh has started a reorganization of its production units, defined the functions of each enterprise, and rationally rearranged its production chains. All enterprises eliminated unnecessary bureaus and divisions, and carried out the three-level management system. Enterprise directors made assignments of tasks directly to workshop supervisors who were also given the proportional portion of the wage fund for direct handling. Some enterprises, such as the Quy Nhon Rubber Enterprise and the Quy Nhon Frozen Foods, even eliminated the workshop level and placed their directors in direct command of production team leaders, shortening, by the same token, the industrial process. At present, indirect labor personnel of engineering enterprises has decreased from 20 to 12 percent of the total work force. The extra workers were placed in other jobs, ensuring their making a living.

State-operated enterprises reset their standards in labor, material supplies, and raw materials attrition in order to lower product cost. Savings were achieved in many enterprises: engineering units brought down the consumption of iron and steel; welding shops saved welding rods; fuel was saved in the use of kilns; and industrial gasoline was saved in recapping factories. Labor standards in the production of agricultural tools, fuel tanks, batteries, and bicycle accessories were lower than older levels, and the new low standards were instrumental in lowering the cost of many products.

Using to the optimum their equipment and machines on hand, many enterprises embarked on the production of secondary goods, such as bicycle accessories, civilian-use batteries, sandals, export coconut-fiber slippers, and dried shrimp. Profit made in those production activities were used to compensate for losses, or to lower the cost of agricultural products.

Many enterprises made in-depth investments, and efficiently applied scientific and technical progress. The Quang Trung Enterprise successfully manufactured a tower for the production of industrial alcohol with an annual output of 1 million liters. To replace the old oval kilns, the Nghia Binh Ceramics Plant finished the construction of a system of rectangular kilns that allowed 94 percent of baked products to attain quality standards.

9458/12795
CSO: 4209/392

BRIEFS

SMALL HYDROELECTRIC STATION COMPLETED--The construction of the Ha Pa hydroelectric project, with a planned output of 360 kW, started on 4 February 1984. Two years later, exactly on the commemoration of the creation of the party (3 February 1986), generator unit No 1, with an output of 180 kW, became operational and provided power for minority peoples in the town Thanh My, civic center of the Giang District. The project was the first small hydroelectric station ever built in the Quang Nam-Danang mountainous area. Generator unit No 2 is being constructed. [Text] [Hanoi NHAN DAN in Vietnamese 21 Feb 86 p 1] 9458/12795

CSO: 4209/388

PAPER VIEWS SMALL INDUSTRY, HANDICRAFTS IN HO CHI MINH CITY

Hanoi NHAN DAN in Vietnamese 28 Jan 86 p 2

[Article by Nguyen Kien Phuoc: "The Development of Small Industries and Handicrafts in Ho Chi Minh City"]

[Text] For Ho Chi Minh City, the restoration, reform and development of small industries and handicrafts is an important mission within the framework of its economic development strategy.

In the past 10 years, the city has made tremendous efforts to develop various trades and occupations among the people, and it has obtained very encouraging successes. However, due to the limitation and lack of certain policies and procedures and possibly an absence of direction of efforts, the potentials of the small industry and handicraft sector have not been used to the optimum. What should be done in order to trigger a full development of this production force?

Some Initial Observations

After the liberation, and particularly subsequent to the 1978 reform of private capitalist businesses and industries, as raw materials, materials, equipment and commodities stored in warehouses became depleted, as big industrial sectors were in the dark in terms of production effort, and as the volume of products and goods circulated on the market declined, small industries and handicrafts supplied a large amount of consumer and export goods. Therefore, from a very early stage, the city purposely strove to restore, reform, and gradually and actively develop the consumer goods production forces.

Small industry and handicraft production units were grouped together by trade and step by step entered collectivization. Despite many ups and downs, the new socialist production pattern was established in breadth as well as in depth. By 1985, the whole city had over 600 cooperatives (including 74 major ones), over 3,700 production cooperation teams manned by over 125,000 workers, taking 77.2 percent of the total number of small industry and handicraft workers in the city. The essential trades and occupations, such as textile, sewing, wood exploitation and processing, paper, porcelain and ceramics, glass, and bicycles, were reorganized. The aluminum, electric machines, agricultural, forestry and fishing machinery, and construction material, sectors, were in the process of completing their production reorganization plans. Besides, there were 11,460 individual and family production units in the entire city. In all, the small industry and handicraft sector provided employment for over 160,000 workers. Individual and family production units were gradually drawn into the production mechanism and served as contract satellite suppliers for state-run enterprises, joint enterprises, and marketing cooperatives in a multi-layer pattern of industrial development including large, medium and small industries and the family sector.

It must be emphasized that the physical and technical infrastructures of many production units, especially of cooperatives, were pretty well equipped and had the capability to become modern small industries. Many arts and crafts professions made such exquisite products that they were preferred by foreign customers. Starting from this infrastructure, the growth of the small industry and handicraft sector in the past 10 years allowed the sector to achieve noteworthy successes.

Ten years ago, the whole sector's general output was only 10.15 percent of the national general output; in 1985, it reached 32.7 percent. In the city's territory alone, the value of the small industry and handicraft output amounted to 47 percent of the value of the industrial general output (including both the central and local levels). The average annual development ratio was up 30 percent, and labor productivity in 1985 increased five times compared with 10 years ago. Exported handicraft and fine arts products made up 10 percent of the total national export value. It is noteworthy that the small industry and handicraft sector has contributed to the production of part of raw materials needed in the production of those products (in 1985, products of the A Group constituted 6.9 percent of the value of the output of the whole sector).

In light of those successes, we can draw the following partial conclusions:

First, in the past 10 years, primarily subsequent to resolutions of the Sixth, Seventh and Eighth Plenums of the CPV Central Committee, Ho Chi Minh City concentrated on reorganizing production by economic and technical sectors, starting from key economic sectors and expanding from there. Only by compartmenting the management structure by economic and technical sector that the city industry could be made a homogenous system with state-operated enterprises as the leaders (in the pattern of "mother" enterprises), and at the bottom, with the enterprises' satellites made by production groups, and individual and family economic units. This is the only way to integrate all large- small- and family-scale outfits into a viable ensemble. This is also the only way to gradually complete planning work, product quality management, and the establishment of material supply, raw materials, and price, standards for the whole sector.

Second, a revolution in production relationships and the enhancement of the quality of the collective economic elements can be made possible only on the same basis of economic and technical reclassification.

Third, certain characteristics inherent to the nature of the small industry and handicraft sector, namely adaptability and flexibility, are alien to a management pattern with lingering red tape, overbearing, and overdependency-on-the-state attitudes. Therefore, through appropriate organizational structures and transitional actions, the small industry and handicraft sector is the very domain that attracts capital, technical skills, and even the managerial abilities of different economic elements in support of the state plan as well as of the people's living conditions. It is also the very domain where market needs and production and business activities meet and are closely associated. The ability to take initiative is a visible characteristic of the basic unit.

Objectively speaking, although Ho Chi Minh City has actively reformed the management system for the small industry and handicraft sector and taken measures such as, determination of labor cost of products purchased by the state, and the cost of those products, determination of industry and commerce taxes; improvement of the wage system of cadres, workers and employees, and determination of salaries of various categories and steps of skilled workers; formulation of policies pertaining to individual and family economic activities, and to artists and fine arts workers; provision of guidance for the assessment of the value of fixed assets according to the new price system and elimination of unreasonable expenses from the manufacturing cost, the city's small industry and handicraft sector has still been unable to arouse the large and latent potential among all sectors of the population. Current policies fail to encourage and guarantee the autonomy of the basic unit in production and business. In the economic, political and psychological domains, there is still an inequality between economic elements, between state-operated organizations and the collectives, and between the centralized industrial production and the collective, individual and family economic units.

Some Recommendations

In the overall development of the economy, small industries and handicrafts occupy an increasingly important position. Therefore, in order to stimulate units to rapidly enhance the quantity and quality of goods, and to better address the consumer and export needs, it is both advisable and indispensable to improve our perception, implementation leadership, and economic leverage policy.

First, within the small industry and handicraft sector, the reorganization of production and centralization of management along vertical lines for each trade is a vital requirement. In the matter of perception, management by sector must stem from economic and technical methods, not limited in a few administrative orders, and it must be based upon the promotion of the basic unit's autonomy in production and business. Management science can only be applied with optimal success through the policies of economic leverage and management by economic contracting. The latter is the only way to promote equality in production and trade between economic components. In reality, certain products made by state-operated enterprises are the raw materials for small industries and handicrafts and vice versa. On the other hand, it should be noted that a small industry outfit (including a family one) is not only tied to one economic or technical sector, but can establish various economic connections depending upon its equipment status and industrial process. From this stems the basic unit's autonomy which must be institutionalized nationwide. Furthermore, the time has come that we must have a series of policies governing collective, family and individual economic units, craftsmen, etc.

Second, similar to the state-run enterprises, small industry and handicraft sector must be planned from the grassroots. A lingering problem should be noted, though: since no data pertaining to basic units' production capabilities have been available, and since the basic units must self-procure material supplies through import or economic linkages because no standardized allotments have not been made in function of their production, the regulatory aspect of the planning has not been very effective. On the other hand, in order to procure their own supplies, basic units usually ran into very bothersome red tape, which tends to limit their autonomy and flexibility. Even in those difficult conditions, the arts and craft weaving trade made a tremendous effort in getting by itself enough material supplies to manufacture an additional 27 million meters of textiles. Perhaps any small industry and handicraft plan in which regulatory standards apply should include economic contracting between the state and basic units (with attached guarantees), and related instructions and suggestions. The export plan should be directly assigned to the provincial and municipal federations of cooperatives without necessarily going through an intermediary organization.

Third, it has been observed that if the small industry and handicraft basic unit procures its own material supplies and sells its finished products, it gains more autonomy and this method is more efficient than the form of labor contracting or direct contract between a production unit and a marketing agency. If this method is retained, it must be supported by appropriate tax and price policies.

Fourth, in order to stabilize and develop production, the federations of cooperatives at the municipal and provincial levels need initial capital from the local government's finance department, need the right to contract loans (as a state-operated enterprise would), to possess foreign currency accounts for export and import activities, and the right to use foreign currency to expand further (such as for the construction of physical and technical installations, investments in equipment, and construction of outlets).

Fifth, marketing methods for the products made by the sector must be very flexible. Besides his obligation to sell or deliver products in sufficient quantity to an official agency if the raw materials are state-alloted, the producer may sell the surplus products to state-operated businesses, but he may also have the right to seek other consumers in order to ensure a resupply of raw materials for the next production cycle. Individual and family production units should be able to sell their products as the latter are made, provided they pay appropriate taxes and abide by price regulations.

Sixth, in order to gradually apply economic accounting in determining product cost, there is a need to define procedures to assess the value of fixed assets and for depreciation. Small industry and handicraft cooperatives should also have the right to set their sales prices in the same manner as state-operated enterprises do. Prices are determined by living conditions. Perhaps we should boldly give provinces and cities the authority to set a price framework, and let producers and consumers come to terms within that framework.

Seventh, to assist the sector in making investments in depth, specialized industrial banks must be created to serve small industries and handicrafts, and credit cooperatives must be created to mobilize capital from investment sources for production development; policies on interest rates must be issued as they pertain to state-run enterprises, and appropriate cash levels must be determined; and tax computations must be simplified, and small industry and handicraft units must be allowed to do accounting the same way as state-operated enterprises.

Eighth, since small industries and handicrafts are an important economic sector, and in order to allow a long-range development of the latter and an enhancement of the quality of goods manufactured for domestic use and for export, its equipment must be necessarily changed or renovated, including imported equipment. Therefore, the state must provide the sector with technical equipment, or, in case this cannot be done, it must allow foreign currency to import the needed equipment.

Ninth, as actual activities have showed, the federation of cooperatives is an economic-administrative organization playing the role of provider of guidance in production and business matters for the collective economic area and for small industry and handicraft workers. In addition, it has a social function. The time has come that this function and related responsibilities be unequivocally defined to allow the federation to accomplish its missions. The charter of the small industry and handicraft cooperatives must be reviewed and adjusted to be consistent with the present situation.

Finally, genuine equality should be established between the workers in small industry and handicraft, and those in the state systems. We must remove differences in remuneration policies between state-operated economic units and collective economic units. This is the only way to exploit the still great potentials and promote new development of the small industry and handicraft sector in Ho Chi Minh City and nationwide.

9458/12859
CSO: 4209/303

POPULATION, CUSTOMS, AND CULTURE

YOUTH FORUM LETTERS DISCUSS POSTAGE PROBLEMS

Hanoi TIEN PHONG in Vietnamese 21-27 Jan 86 p 8

[Readers' letters: "On Today's Postage"]

[Text]

Dear Tien Phong!

I've been puzzled by this little postage stamp. As a matter of fact, although I've pondered the matter quite a lot, I can't understand why the cost of mailing a letter has gone up so rapidly and so much: The thinnest letter must be mailed with a 1-dong stamp (new currency). Because paper costs more? Or because the mailman's salary went up? I bet Tien Phong knows that the young are of age to correspond a lot to share their feelings. Without letters, life would be so forlorn and lonesome, isn't that true, Tien Phong? But we students thoroughly depend on the family for everything, yet, asking money twice to buy stamps already equals to asking for the price of a stack of paper, and that's impossible. Such high postage limits the young's expression of their feelings, don't you agree, Tien Phong?

And there is also this. These years, we've been thinking that writing to our border servicemen to say hello and to give a nice boost to their morale is to respond to the movement, "For the Pocket Money Fund of the Fatherland" launched by the union. However...it's unfortunate that I have to say this: with this kind of postage, it's difficult to write often.

Thu Ha
(Hanoi-Lam Dong General Secondary School)

For students away from their families as in our case, it's hard to make ends meet, because the family's support is limited. But our needs in expressing our sentiments are not limited. Every month, each of us needs to write 10 or more letters. With today's postage, we are puzzled and don't know what to do. I hope our aunts and uncles at this newspaper will help us.

Nguyen Thi Bich Ngoc
(On behalf of students of Class 19K2
Viet Bac School of Pedagogy)

I warmly welcome the article, "Sending letters, a cultural exchange" on Tien Phong's issue No 29, 1985. But recently, when I received a letter from the family, I was stunned when looking at the envelope. It was almost completely covered with stamps and with the post office obliterating stamps, and looked ugly. Looking more closely at the stamps, I was startled: the total price of the stamps was 70 dong (old currency). I think my parents should have, as many other cadres, workers, and employees would, thought twice when writing to their children. As for my friends, few have the means to send me a letter, since they still are students, or servicemen, and don't have much money...

A number of Vietnamese students studying
in the Soviet Union

Tien Phong's Comments

The above ideas are symbolic of the frustrations of quite a large number of youths, a group having the largest needs in writing and sending letters in society. Their requests deserve due consideration. We suggest that the post office and related agencies study the matter and bring an adequate solution as soon as possible. But first, we recommend that a determination be issued as soon as possible to reduce postage for letters sent by people in the rear to our combatants on duty at the borders.

T.P.

9458/12795
CSO: 4209/399

POPULATION, CUSTOMS, AND CULTURE

OVERCHARGING BY SERVICE COOPERATIVES CHARGED

Hanoi TIEN PHONG in Vietnamese 21-27 Jan 86 p 8

[Article by Viet Dung: "The Other Side of the Price-List Coin of the 'Service' Cooperatives"]

[Text] Boldly, I stepped in the "Hoang Lan" barber shop on Hoang Van Thu Street after seeing the blue sign bearing well-painted white letters: "Precinct 4 People's Committee, Tan Binh District. Hoang Lan Hair Services Cooperative." Sitting comfortably in the chair, I felt more reassured because, displayed right in front of me, was a price list detailing the cost of each type of service, such as: haircut, 2.5 dong; shampoo, 2 dong; ear cleaning, 1 dong, etc. Compared with many other places, the prices were pretty high, but, well...acceptable, since in Ho Chi Minh City, everything is more expensive.

The barber, a woman in her early 20's, put a white cloth around my neck, and told me with her gentle voice:

"My dear, I'll give ya a shampoo! Every young man coming here gotta get a shampoo before the haircut, ya know!"

I resigned myself to accept because my pride was hurt. Anyway, I am also a young man, and it would make no sense if I could not show some courtesy in front of a young girl. And otherwise, a hot shampoo that cost 2 dong is okay.

After shampooing, the young lady barber cut my hair. Then, without bothering to ask, she began cleaning my ears. But when she was about to take a piece of crystal and placing it on my eye in an act she called "eye massage," I stopped her because I felt it would be unclean.

"You're done then," she said.

I looked again at the price list, took 5.5 dong (haircut, 2.5 dong; shampoo, 2 dong; and ear cleaning, 1 dong) and gave the money to the female cashier who sat in a very relaxed manner near a rattan couch. She stared at me from head to toe, and icily said:

"Please give 14.5 dong more."

Stunned, I asked: "Is the total 20 dong?" Then, I went on: "I had only a haircut, a shampoo, and an ear cleaning."

The lady-cashier said, laughing:

"That's why it cost you only 20 dong. If you had an eye massage and acne removal, you'd have to pay 30 dong..."

"Did you mix up new currency and old currency? Thirty dong in new currency is as much as 300 dong in the old?"

"I said 30 dong in new currency," the cashier retorted harshly.

I pointed at the price list and asked:

"Who made this price list, would you to tell me, please?"

I repeated my question. All the six barbers and the cashier uniformly stopped working and stared at me. Then, the cashier said with her ironic and spiteful voice:

"Well, mister, give me the 5.5 dong. Next time, please go to another place."

As soon as I turned my back, I heard an uproar of rude comments from the women, such as, "What a greedy fella," "What a peasant," and "what a miser."

On a segment of the road from the Bay Hien intersection to the Cha Ca Tomb, there are over 10 barber-shop cooperatives such as "Cam Nhung," "Thanh Nu," "Thuy," etc. I talked with many young men, and all of them said that, "All those barber-shop cooperatives charged four times what is shown on price lists, and worse, certain others charge six times more, as the 'Thanh Nu' is accustomed to doing." They invent many tricks that have nothing to do with a haircut, such as pulling up facial hair by rolling a piece of thread on the skin, eye massage, removal of acne, and massage of the head, etc., to get more money from customers. They encourage customers, who are mostly young men squandering their money, to spend more, with comments like, "That person is most courteous," "That other is greedy," etc. Not few are servicemen and workers who take official price lists for granted, and turn out to be short of money to pay for a haircut. Then they must leave their bicycle or watch at the shop and return to their units to borrow some money to pay.

I am aware that with a license as a "barber service cooperative" as in the case of "Hoang Lan," "Thanh Nu" and "Cam Nhung," etc., the tax level is down 30 to 50 percent, and that price lists posted are recommended by the barbers and approved by an authorized agency of the precinct. But in reality, those price lists are but a cover. "Barber service cooperatives" exploit the customers at will, make high profit, and contribute less to the state.

Moreover, certain other services, such as bicycle and motorcycle repairing, and tailoring on Hoang Van Thu, August Revolution, and Nguyen Van Troi streets charge 1.5 to 3 times the official prices. Instances of that are the case of the "Tien Hoang Bicycle and Motorcycle Repair Service Cooperative" which charges 15 dong for a bicycle repair officially priced at 3 dong, and 2 dong for a spark-plug cleaning that should cost only 0.5 dong. etc., and the "Oanh Oanh Tailoring Service Cooperative" which charges 70 dong for cutting a pair of Western pants officially listed at 45 dong.

I recommend that authorized agencies of precincts and districts closely monitor "service cooperatives," and severely deal with overcharging customers, primarily on this pre-lunar new year occasion. I urge our young friends to resolutely decline to pay more than prices posted. In so doing, they will realistically contribute to the statiblization of market prices.

9458/12795
CSO: 4209/399

BRIEFS

DANCING IN HANOI--By the end of 1985, Hanoi had approximately 26 dancing places. In Ho Chi Minh City, Hue, and Danang, there were more. Especially in Hanoi, all dancing clubs were in innercity areas. This points out at least two things: a) dancing seems exclusively a pastime for the urban youths; and b) rural youths (though living on the city outskirts) are not familiar with this activity, or "nobody" takes the trouble to set up a party or organize a club. The Hoan Kiem District is the leader with nine places. Following are the districts of Hai Ba Trung and Ba Dinh with eight each. Dong Da District trails with one. Dancing floors are present at clubs, at the Cultural Hall, at hotels, and at service organizations. In particular, those organized by the youth union (of districts and basic levels) number five. What is good and beautiful about those dancing clubs is that they address the needs of the young in providing them with a meeting place where they can entertain themselves and enjoy their weekends and holidays. What is not good and henceforth, not beautiful as yet, stems from both sides: the organizer, with a poor organization, or even with a sloppy setting where the main purpose is making money. People shove one another at entrances. Dancing floors are so crowded that it is merely impossible to dance. Music and tunes are not judiciously selected, and there is no program for the night, etc. On the dancers' side: some dancers (although only a few) show "uncultural" attitudes right on the dancing floor. The Tien Phong Club suggests: That the organization and management of the places be improved. As far as the young are concerned, coming to a dancing party is mingling oneself into a cultural, beautiful, and glamorous lifestyle. They must show some culture. [Text] [Hanoi TIEN PHONG in Vietnamese 18-24 Feb 86 p 9] 9458/12795

YOUTH ACTIVITIES, ACHIEVEMENTS--The Central Committee of the Ho Chi Minh Youth Union and the Ministry of Culture have recently summarized 1 year's achievements in the campaign for building a new cultural lifestyle among the youths, and decided the direction of efforts for the campaign in 1986. In the past year, the youth union and the cultural sector, working together, have obtained some successes in matters of working lifestyle, marriage, family planning, exhibiting an orderly, healthy, and civilized demeanor in public, and fighting the enemy's multifaceted subversive war. Those initial results need to be consolidated. The Central Committee and the Ministry of Culture decided to step up this campaign in 1986 to trigger a profound change in the youths' attitude toward labor. This will be a labor attitude with high productivity, quality, and efficiency, which will gradually eliminate misconceptions that are quite widespread among the youths, such as discrimination between manual and mental labor, and, authorized by the tables of organization versus non-authorized. On the other hand, both agencies will strive to induce easily noticeable changes, such as order and hygiene at public places, encouraging youths not to smoke and drink alcohol, stepping up cultural and entertainment activities, building a cheerful and healthy cultural lifestyle, stamping out negative phenomena in the ranks of the youths starting with Hanoi, building a pattern of "Cultural marketplace of the Highlands," organizing ceremonies and festivals in the new style, and setting up lectures about organizing new-style wedding ceremonies for various levels of youth unions. [Text] [Hanoi NHAN DAN in Vietnamese 28 Feb 86 pp 1, 2] 9458/12795

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